MEDIA ADVISORY
FEDERAL/STATE/LOCAL COORDINATING OFFICE
Fax NewsExpress

OES CALIFORNIA

California Office of Emergency Services

150 East Colorado Boulevard Pasadena, CA 91101

FEMA-DR-1008-CA-PR # 175
February 7, 1994

Media Contacts: FEMA: (818) 405-7548
OES: (818) 405-7408

OFFICIALS AVAILABLE AT TWO DACS TODAY TO DISCUSS WAITING ISSUES

Federal Emergency Management Agency (FEMA) and Governor's Office of Emergency Services (OES) officials advise that today at 4 p.m., spokespersons will be available at the following Disaster Application Centers:

Winnetka Recreation Center
8401 Winnetka Ave.
Northridge
Contact: Bob Crosby, FEMA, cellular ph. 213-309-7798

Hollywood Recreation Center
1122 Cole Ave.
Hollywood
Contact: Angel Santiago, FEMA, cellular ph. 213-309-5513

SUBJECT: There is virtually no waiting at the DACs now. Concern is that applicants with appointments for later in February may not realize they can now go in at any time. Applicants may go to any DAC, not just the one nearest to them.

-end-

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NOT FOR PUBLICATION

ATT: RADIO AND TV ONLY

FEMA\OES ESTABLISHES LIAISON TO ASSIST BROADCAST MEDIA

For help in arranging television and radio interviews with officials from the Federal Emergency Management Agency (FEMA) and the Governor's Office of Emergency Services (OES), please contact the following public information officers at:

Monday through Friday
Phones: (818) 405-7496 or (818) 583-7779
Radio: Barbara Tarlau (Pager: 818-803-6433)
TV: Dree DeClamecy (Pager: 818-803-6430)

Thursday, Friday, Saturday, Sunday
Phones: (818) 405-7496 or (818) 583-7779
Radio and TV: Frankie Sims (Pager: 805-374-6673)

The broadcast media group is also available to television and radio stations to help facilitate coverage of FEMA\OES stories and developments.

NOTE: For general information and statistics concerning local, state and federal assistance and recovery activities, please contact the Joint Information Center's "news desk" at (818) 405-7578.

-end-

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150 East Colorado Boulevard Pasadena, CA 91101

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February 7, 1994

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Daily News Summary
SUMMARY OF FEDERAL/STATE/LOCAL DISASTER RESPONSE AND RECOVERY OPERATIONS

Calls to state-federal disaster information helpline:	**137,924**
Registrations for state-federal assistance:	
At Disaster Application Centers:	**82,288**
Via toll-free teleregistration:	**207,784**
Total:	**290,072**
Temporary housing checks issued	**33,128**
Total value of checks issued	**$102,693,000**

HUMAN SERVICES -- The 21st Disaster Application Center (DAC) opens tomorrow (Tuesday, Feb. 8) at the Toberman Recreation Center, 1725 Toberman St., Los Angeles. Hours of operation on opening day are 1-7 p.m. Thereafter, hours are, as with all DACs, 9 a.m. to 7 p.m. daily.

-- Applications for the Emergency Food Stamp Program will be accepted through tomorrow (Tuesday, Feb. 8) at emergency food stamp application centers (media contact is Carol Matsui, 310-908-8311). Federal, state and local authorities keeping close watch on weather. Heavy rain and high wind forecasts have DAC personnel ready to deal with threats of mudslides or flooding.

Applicants who recently received expedited emergency housing grant checks prior to inspections will soon receive letters clarifying how these funds may be used. Main message: funds are to pay for disaster-related housing needs and should not be used for food, clothing, or to replace household appliances. Important reminder: save disaster-related housing expense receipts.

Important telephone calls for disaster victims:

- **Teleregistration (1-800-462-9029; TDD 1-800-462-7585)**
- **Helpline -- for program information and status of applications (1-800-525-0321; TDD 1-800-660-8005)**
- **Donation Hotline: 1-800-342-1100**

--more--

Daily Summary
Add One

PUBLIC WORKS AND ENGINEERING -- U.S. Army Corps of Engineers begins awarding contracts this week for preparation and construction of pads, housing, setup and utilities hook-up of travel trailers and mobile homes. Details to be released as program continues. In the meantime, Corps personnel have now inspected 10,000 earthquake-damaged buildings.

OUTREACH -- Federal and state Outreach personnel have identified an opportunity to serve the disabled community through cooperation with Southern California Living Centers. To avoid chance of misidentification of individuals without obvious disabilities at the DACs, the Center will furnish disabled applicants with referral documents. Counselors are attaching their business cards to each referral to assure authenticity.

TECHNOLOGY AT WORK -- The Automated Construction Estimating (ACE), a 2 1/2-pound palm pad, used for the first time during the recent Southern California firestorms disaster, is dramatically reducing paperwork and work hours. Federal/state officials say it shortens by as much as three weeks the time it takes to complete the damage inspection process (Media contact is Dree DeClamecy for demonstration, 818-803-6430).

Other hi-tech equipment being used to great advantage in this disaster:

-- Mobil Emergency Response Support (MERS) -- fleets of mobile units strategically located throughout the disaster area, providing communications and power transmission services. The four-to-16-wheeled units include power generators, radio vans, water and fuel tankers, communication receivers and transmitters.

-- Geographic Information System (GIS) -- Computer-generated maps which pinpoint locations of damaged and destroyed homes, flood-prone damage areas, and vital assessment information for federal/state/local officials. Maps are free to public through Governor's Disaster Recovery and Preparedness Center, 3746 E. Foothill Blvd., Pasadena.

NOTE FOR ASSIGNMENT EDITORS:

-- Daily earthquake news briefings continue at FEMA/State Disaster Field Office at 245 S. Los Robles Ave., Pasadena. The 10 a.m. sessions this week will be headed by Frank Kishton, federal coordinating officer; and Richard Andrews, director, Governor's Office of Emergency Services. Subjects include current disaster concerns and status reports. Q&A session follows. Photo, interview opportunities.

-end-

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Fax NewsExpress

150 East Colorado Boulevard Pasadena, CA 91101

FEMA-DR-1008-CA-PR # 171
February 7, 1994

Media Contacts: FEMA: (818) 405-7548
OES: (818) 405-7408

DAMAGE INSPECTORS VERIFYING DISASTER APPLICATIONS

As part of the Northridge earthquake recovery process in Southern California, damage inspectors continue to visit people who have applied for housing assistance and special grants to meet serious needs and necessary expenses.

"Inspections are required to verify claims and avoid duplication of benefits," Federal Coordinating Officer Frank Kishton said.

"Disaster assistance funds are comprised of taxpayer dollars," added Director Richard Andrews, Governor's Office of Emergency Services (OES). "It is important that they be distributed properly."

The verification process includes a visit by a Federal Emergency Management Agency (FEMA) inspector to the damage site and is subject to state approval.

Once the application information and damage have been confirmed, the type and amount of assistance is determined. In most cases, checks are mailed to the applicant's current residential address in less than a week.

The same process applies whether affected individuals register for assistance by visiting a Disaster Application Center or by calling the Teleregistration hotline, 1-800-462-9029, TDD 1-800-462-7585.

-end-

NEWS RELEASE
FEDERAL/STATE/LOCAL
COORDINATING OFFICE
Fax NewsExpress

150 East Colorado Boulevard Pasadena, CA 91101

FEMA-DR-1008-CA-PR # 169S
7 de febrero de 1994

Contacto de Prensa: FEMA: (818) 405-7548
OES: (818) 405-7408

PROGRAMA DE EMERGENCIA PARA ESTAMPILLAS DE COMIDA EN SU FASE FINAL

Manana martes, 8 de febrero se estaran aceptando solicitudes para el Programa de Emergencia para Estampillas de Comida. Para aquellas personas que tienen necesidades de comida, pero no estan seguras de su elegibilidada, ahora es el momento de solicitar.

Las filas en los centros de emergencia para estampillas de comida son mas cortas, y el proceso de solicitud se ha acelerado. Ademas, se les esta dando prioridad a las personas de edad avanzada y a personas con impedimentos que estan esperando en las filas.

Personas que nunca hayan recibido estampillas de comida pueden ser elegibles para este programa especial si han sufrido danos o han tenido gastos relacionados al desastre. Las perdidas ocasionadas por el terremoto puede afectar el ingreso de una familia, o jefe de familia, y por ende ser elegible para este programa.

Aquellas personas que tengan algun impedimento fisico que no les permita solicitar pueden nombrar a un representante autorizado para que este solicite por el (o ella). Los representantes deberan llevar identificacion al igual que una identificaion de la persona a la cual representan. Los representantes deberan conocer las circunstancias del solicitante, y llevar una carta del solicitante nombrandole como su representante autorizado.

A principios de la proxima semana el Departamento de Servicios Sociales de Los Angeles enviara notificaciones y solicitudes para el programa de estampillas para comida a mas de 300,000 personas de edad avanzada y a personas impedidas que participan en los programas de "Supplemental Security Income" (SSI) y "In-home Supportive Services" (IHSS). A estas personas se les informara que pueden ser elegibles para las estampillas de comida.

Aquellas personas que reciben beneficios de SSI y IHSS compartiran los mismos criterios de elegibilidad para los programas federales ofrecidos a todos los solicitantes del programa de emergencia para estampillas de comida. Estos deberan de enviar sus solicitudes por correo en o antes del 16 de febrero. Por lo general, aquellos que reciben beneficios bajo el programa de SSI no son elegibles para el programa regular de estampillas de comida.

--continua--

El cheque de SSI incluye una mesada de estampillas de comida; no obstante, los beneficiarios de SSI que han sufrido perdidas como consecuencia del terremoto pueden recibir el equivalente de un mes de estampillas de comida, siempre y cuando sean elegibles bajo este programa.

Los criterios de elegibilidad para el Programa de Emergencia para Estampillas de Comida son:

Haber sido residente del Condado de Los Angeles cuando ocurrio el terremoto.

Tener identificacion

Haber sufrido perdidas relacionadas al terremoto

Tener un ingreso elegible para el Programa de Emergencia para Estampillas de Comida.

Los solicitantes deben proveer informacion veridica y correcta. Las leyes de las estampillas de comida incluyen multas de hasta $250,000 y/o encarcelamiento hasta por 20 anos por adquisicion y posesion ilegal de estampillas de comida.

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NEWS RELEASE
FEDERAL/STATE/LOCAL
COORDINATING OFFICE
Fax NewsExpress

OES CALIFORNIA
California Office of Emergency Services

150 East Colorado Boulevard Pasadena, CA 91101

FEMA-DR-1008-CA-PR # 165S
7 de febrero de 1994

Contacto de Prensa: FEMA: (818) 405-7548
OES: (818) 405-7408

EL USO APROPIADO DE FONDOS DE ASISTENCIA POR DESASTRE

Los oficales federales y estatales han enviado cartas a los sobrevivientes del terremoto de Northridge, especificando el uso apropiado de los cheques recibidos bajo el programa de vivienda.

Los oficiales de recuperacion de desastre enfatizaron, que los fondos de este programa son para ayudar a pagar la reparacion de los danos a la vivienda. El dinero del programa de vivienda no es para ser utilizado en gastos de comida, ropa, o para reemplazar enseres electricos. Aquellos solicitantes que hayan utilizado el dinero de este programa necesitan guardar los recibos como verificacion de que se han utilizado para reparaciones a la vivienda.

Estos fondos pueden ser utilizados para el alquiler de otra residencia, en el caso de que la residencia del solicitante se encuentre en estado inhabitable. Los fondos tambien pueden ser utilizados para alojamiento a corto plazo en el caso de que el solicitante este esperando por reparaciones en su residencia.

Los propietarios de residencias pueden utilizar estos fondos para el trabajo y materiales utilizados para la reparacion o reemplazo de chimeneas, ventanas, puertas y cimientos.

Aquellos que no tengan necesidades relacionadas al desastre, o que hayan incurrido en gastos menores a la cantidad recibida, deben devolver el cheque o la cantidad no utilizada a la siguiente direccion:

FEMA Disaster Housing Branch
P.O. Box 8020
Redwood City, CA 94063

Aquellas personas que tengan preguntas o deseen informacion adicional pueden llamar a la Linea de Ayuda de Desastre: 1-800-525-0321 o al TDD, 1-800-660-8005.

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NEWS RELEASE
FEDERAL/STATE/LOCAL
COORDINATING OFFICE
Fax NewsExpress

OES CALIFORNIA
California Office of Emergency Services

150 East Colorado Boulevard Pasadena, CA 91101

FEMA-DR-1005-CA-PR # 74
February 7, 1994

Media Contacts: FEMA: (818) 405-7548
OES: (818) 405-7408

FIRESTORM VICTIMS WHO SUFFER DAMAGE FROM RECENT RAIN MAY APPLY FOR ASSISTANCE

Individuals and families who are now suffering rain and mud damage that is directly related to the Southern California firestorms last fall may apply for disaster assistance, said Frank Kishton, federal coordinating officer for the Federal Emergency Management Agency (FEMA) and Richard Andrews, state coordinating officer for the Governor's Office of Emergency Services (OES).

"The rain or mud damage must be a result of the firestorms of last fall," Kishton said.

"Those who previously registered for fire damage assistance need not reapply. They need only visit any one of three Community Disaster Recovery and Preparedness Centers (CDRPC) in Southern California, or may call the toll-free Disaster Information Helpline, 1-800-525-0321 or TDD 1-800-660-8005," Andrews said.

Those who have suffered recent damage but did not previously register should call the Teleregistration number, 1-800-462-9029 or TDD, 1-800-462-7585 or visit a CDRPC. The centers are open from 9 a.m. until 6 p.m. Monday through Saturday:

Altadena Center
3746 E. Foothill Boulevard
Pasadena, CA 91107

Malibu Center
23661 Pacific Coast Highway
Malibu, CA 90265

Laguna Beach Center
664 N. Pacific Coast Highway
Laguna Beach, CA 92651

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ST. LOUIS POST DISPATCH FEB 1 0 1994

Bond Says Senate Legislation Would Fix Most Levees On Missouri

A13

Sen. Christopher S. Bond
"Take care of 90 percent"

By Robert L. Koenig
Post-Dispatch Washington Bureau

WASHINGTON — Uncle Sam would channel $685 million more for Midwestern flood aid — to help buy out damaged homes, repair rural levees and expand wetlands — as part of a quake-relief package the Senate debated late Wednesday.

The Senate bill also included a provision pushed by Sen. Christopher S. Bond, R-Mo., that Bond contends would "take care of 90 percent of the problem" of the damaged levees along the Missouri River now ineligible for federal aid.

The flood cleanup money is a relatively small part of an emergency appropriations bill that includes $8.6 billion in relief for last month's earthquake in the Los Angeles area and $1.2 billion for U.S. military operations in Somalia, Bosnia and elsewhere.

The House already has passed a similar bill, and supporters hoped for final congressional action by Friday.

The final Senate vote was delayed by an extended debate on a proposal by Sen. Bob Kerrey, D-Neb., to make cuts in Medicare and other federal programs to help pay for the emergency aid. The Senate voted 65-31 to kill Kerrey's proposal.

The Senate bill includes a last-minute infusion of $250 million in additional federal aid to bolster flood-buyout programs, which have attracted record amounts of interest from Midwesterners — from Missouri north to Minnesota — who want to move their damaged homes and businesses out of flood plains. That new sum comes in addition to the $110 million that Congress voted for buyout aid in November.

Late Tuesday, Bond persuaded the Senate Appropriations Committee to add another provision that would change federal levee-repair rules and allow the U.S. Soil Conservation Service to spend as much as $50 million — out of the $340 million extra that the agency would get under the emergency bill — to fix big farm levees along the Missouri and Mississippi rivers.

While the provision did not add extra money for the levee repair, Bond asserted Wednesday that the rule change — if accepted by House negotiators — could provide aid for most of the 350 rural levees along the Missouri River now ineligible for aid from the Army Corps of Engineers. Under current rules, only the Corps can repair levees along major rivers like the Missouri; the Soil Conservation Service repairs levees along smaller tributaries.

"I feel this is the best way we can deal with the problem," Bond said. But he acknowledged that the extra aid may come too late to help prevent spring flooding that some predict along the Missouri. So far, the corps has completed repairs on only 45 of the 273 damaged Midwestern levees that are eligible for federal aid. In addition, Agriculture Department progams have helped repair many other, smallers levees that protect farmland.

Scott Faber, a flood plain expert with American Rivers, a conservation group, said some environmental groups plan to lobby House and Senate negotiators to remove Bond's provision from the final bill. Those negotiators are expected to meet this week to resolve the differences between the bill's House and Senate versions — including the $250 million in additional buyout aid that is in the Senate bill, but not in the House version.

The new flood cleanup money would come in addition to the $5.7 billion emergency flood-relief bill that Congress approved last summer.

Aside from the Senate buyout and levee-repair provisions, the emergency spending bill includes $365.5 million for Agriculture Department programs to remove sand deposits and flood debris from bottomland farms and 70 million for the Army Corps of Engineers to repair levees that are eligible for corps aid.

The earthquake-relief bill also includes $50 million for a special White House discretionary disaster account, which could be used later to send extra money to some flood-relief programs that run out of funds.

2/2

LOS ANGELES TIMES FEB 10 1994

SCOTT HARRIS

Valley Businesses Languish in State of Aftershock

In Sherman Oaks, the dreaded red tag has closed 3,000 apartments and condos. A 13-story office tower on Ventura Boulevard has been shut down. The roof collapsed at Sav-On. The Gap and Banana Republic have removed their stock from La Reina Fashion Plaza.

Michael Ourieff assumes everything and everyone will be back in time. But will that time come soon enough?

Ourieff is the proprietor of Michael J's Italian Kitchen in Sherman Oaks, which enables him to see the less obvious effects of the Jan. 17 earthquake—the way this temblor has put cracks in daily commerce. Before the ground shook, Ventura Boulevard was probably the most vibrant street in all of Los Angeles. Now terms like "ghost town" crop up.

That is overstating it, but Ourieff estimates that local business is down 30% in his eatery. He wonders whether his family restaurant, now in its 11th year, can survive.

So one day last week, the restaurateur shared his problems with somebody who might be able to make a difference. And U.S. Commerce Secretary Ronald H. Brown promised that he'd try to help.

□

Don't be surprised if you hadn't heard about Brown's visit. Ron Brown didn't want the media tagging along Feb. 2 when he helicoptered onto the roof of Sherman Oaks Hospital and Health Center. His visit to the Ventura County town of Fillmore earlier the same day was a public show. There, Brown was able to personally deliver four checks to homeowners and business people who need emergency aid.

At Sherman Oaks, there was no press conference, no photo op. This was Brown's decision, according to Jeff Brain, an immediate past president of the Sherman Oaks Chamber of Commerce who helped arrange the visit. Perhaps Brown just didn't want to deal with pesky questions. Brain prefers to think that Brown simply wanted to concentrate on business.

Sherman Oaks is an excellent place to get a feel for the far-flung impact. Media images of the quake have been dominated by broken freeways and the destruction within Northridge. But Sherman Oaks, built on land that was sometimes under water when the Los Angeles River ran wild, incurred inordinate damage as the ground shook like Jell-O.

A survey by a city panel that oversees planning for the 17 miles of Ventura Boulevard suggests that businesses in Sherman Oaks suffered more damage than Woodland Hills, Tarzana, Encino and Studio City combined. In Woodland Hills, destruction along the boulevard was estimated at $1.9 million—mostly damaged inventory and broken windows. It was $2.1 million in Tarzana, $2 million in Encino, and $7.1 million in Studio City. The Sherman Oaks stretch of the boulevard, meanwhile, incurred $27 million in damage.

Not long after the quake hit, Brain gave Rep. Anthony Beilenson (D-Woodland Hills) a tour of the damage in the east end of his congressional district. Later, Brain did the same for James Lee Witt, director of the Federal Emergency Management Agency. When Brain discussed the business troubles along the boulevard, Witt said there was little FEMA could do and suggested that Brown was the man to see.

So the visit was arranged. A group of about 35 business and political leaders met with Brown. City Council members Laura Chick and Zev Yaroslavsky attended along with representatives of Valley business organizations. A vice president of Bullocks Macy flew in for the meeting. And Ourieff came over from his restaurant.

The Valley was already hurting due to the cutbacks in the aerospace industry. Now, according to one estimate, the quake put 20,000 more people out of work. Questions loom about whether landlords will rebuild or walk away from damaged buildings. There is worry that the economic ripple could become a tsunami, washing away many more jobs.

"I told Ron Brown, if we don't do something, this is going to have a trickle down effect," Ourieff said. "If I don't survive, I'm going to lay off my 25 people. . . . And there's a lot of businesses in a similar situation."

□

For all the gloomy scenarios, Ourieff and Brain came out of the meeting hopeful. Brain says the Commerce Department is trying to set up three new loan programs to help businesses that may not qualify for assistance from the Small Business Administration or the Federal Emergency Management Agency.

Ourieff, a Van Nuys native, says he'll put everything into saving his restaurant. He's already filled out his SBA application. Now he waits and hopes and remembers what President Clinton's Commerce secretary had to say.

"What he said was at this point we don't have a vehicle to help you with this type of situation—and what we're here to do is create that vehicle," Ourieff recalled.

"Whether that's rhetoric, I don't know," he added. "But I liked what he had to say."

LOS ANGELES TIMES FEB 10 1994

Senate Delays Earthquake Aid Bill

■ Emergency: Majority Leader Mitchell vows that the lawmakers will not recess until the $8.6-billion package passes. Accord on illegal immigrants reached.

By ALAN C. MILLER
TIMES STAFF WRITER

WASHINGTON—The Senate delayed passage of the $8.6-billion California earthquake aid package Wednesday, but the massive emergency bill still appeared to be headed to President Clinton by the end of the week.

Senate Majority Leader George J. Mitchell (D-Me.) vowed that the Senate will not leave for its mid-winter recess "until this legislation is completed in a form to be sent to the President."

During its lengthy deliberations, the Senate took two steps that avoided the need for potentially time-consuming negotiations with the House, which overwhelmingly passed the relief bill last week. They concerned the two controversial issues sparked by the aid package: benefits for illegal immigrants and how to pay for the massive relief bill.

The Senate adopted a compromise measure to tighten restrictions on some aid to illegal immigrants. It prohibits longer-term aid for undocumented residents and requires that federal agencies take "reasonable steps" to determine the legal status of an applicant for housing, food stamps or loans of 90 days or longer.

Humanitarian aid, including short-term shelter, would not be affected by the ban.

Senators also rejected a sweeping bipartisan proposal offered by Sen. Bob Kerrey (D-Neb.) and five colleagues to add to the bill a package of $94 billion in spending cuts over five years. Kerrey's initiative was defeated by a 65-31 vote after a daylong debate.

The Senate is considering a bill that is not substantially different from the version adopted by the House a week ago. The Senate bill contains $3.44 billion in largely non-controversial budget cuts—only slightly more than the $2.5 billion approved by the House.

Federal disaster aid has traditionally been funded by adding the sums to the budget deficit. But, reflecting intense concern over new deficit-spending, various senators are also proposing additional lists of deeper spending cuts.

The urgency of the need for swift earthquake aid was underscored by senators who noted that the Department of Transportation has nearly reached its $100-million cap on emergency spending for a single state. In addition, the Federal Emergency Management Agency, which last week shifted most of its resources to humanitarian needs in California, has only enough funds to last 10 more days.

Sen. Dianne Feinstein (D-Calif.) said that victims of the Jan. 17 temblor have submitted nearly 300,000 applications for FEMA aid, 21,659 submissions for Small Business Administration loans and 13,717 requests for Housing and Urban Development rental housing subsidies. And she said that 100,000 applications for emergency food stamps had been approved.

The bill includes $4.7 billion for FEMA to provide individual assistance and temporary housing and rebuild schools, water

Please see SENATE, A27

systems and other public facilities; $1.35 to the DOT to rebuild damaged freeways and bridges; $1.1 billion in low-interest SBA loans to assist homeowners, renters and small businesses and $200 million for HUD rent subsidies.

A hurdle to the bill's passage was removed when Feinstein, Sen. Barbara Boxer (D-Calif.), HUD Secretary Henry G. Cisneros and other Administration officials negotiated a compromise with Sen. Harry M. Reid (D-Nev.) on his proposal to toughen a House amendment prohibiting non-emergency aid to illegal immigrants.

The modification, reached during a meeting in the Capitol, requires federal agencies to take reasonable steps to determine whether any applicant for assistance of 90 days or longer is in the country legally. Reid had proposed to exempt emergency aid but did not specify a time frame for what constituted non-emergency aid.

Feinstein called the measure "legal and enforceable" and maintained it would not "create gridlock in the preliminary screening for emergency aid." And, she added, "It is ample time for somebody to be required to demonstrate that they are here lawfully."

She said that it would be up to FEMA, HUD and the SBA to "determine what they consider reasonable steps." The amendment was adopted by voice vote.

The House version of the illegal immigrant aid amendment did not require federal officials to check legal status. Rep. Julian C. Dixon (D-Los Angeles), who quarterbacked House passage of the earthquake bill, said the revised ban on aid to illegal immigrants was acceptable to him.

LOS ANGELES TIMES FEB 10 1994

Quake Claims Biting Into Insurer's Profit

■ **Coverage:** 20th Century expects to pay $83 million of $160 million owed to policyholders.

By THOMAS S. MULLIGAN
TIMES STAFF WRITER

D2

20th Century Industries said Wednesday that property-damage claims and other expenses due to the Northridge earthquake will far exceed its reinsurance coverage, and result in after-tax charges of more than $50 million against first-quarter earnings.

The Woodland Hills-based parent of 20th Century Insurance, is California's sixth-largest carrier of earthquake insurance, with about 3.5% of the market, according to the state Insurance Department.

The company estimated that catastrophic costs due to the Jan. 17 quake will total $160 million, far more than an initial estimate of between $10 million and $100 million.

After reinsurance payments, the claims will cost 20th Century an estimated $83.7 million before taxes and $54.4 million after taxes, the company said in a statement Wednesday.

And, the company said, it will pay an additional $13 million before taxes—or $8.5 million after taxes—to reinstate its reinsurance coverage.

The earthquake charges will wipe out about 9.8% of 20th Century's capital, which stood at $641 million last Sept. 30, the company said.

However, "20th Century is in the best position in its history to handle the expected claims arising from the devastating earthquake and to remain conservatively leveraged and prudently invested," Senior Vice President Rick Dinon said.

As of last week, 20th Century said it had received approximately 21,000 claims from owners of houses and and condominiums and about 5,000 quake-related automobile damage claims.

"The ultimate costs cannot be projected with a high degree of certainty," Dinon said. "We do believe it is appropriate to now make an estimate, because we anticipate exceeding the reinsurance limit."

Under the company's Lloyd's of London coverage, 20th Century will receive $75 million against the $160 million in claims. It is obligated to pay the first $10 million in claims, 25% of the next $100 million and 100% of all claims above $110 million.

20th Century stock closed $0.875 cents off, at $25.375 a share, Wednesday on the New York Stock Exchange, after trading at a 52-week low of $25 a share during the day.

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SEATTLE POST-INTELLIGENCER FEB 10 1994

pA3

Briefs

WASHINGTON, D.C.

L.A quake relief takes priority in the Senate

In a daylong clash over the deficit, the Senate yesterday shelved $94 billion in proposed spending cuts as it struggled to clear a disaster aid bill for victims of the Los Angeles earthquake.

The 65-31 vote came after critics ridiculed the claimed savings as illusory, and said approval would only delay passage of help urgently needed by victims of the disastrous Jan. 17 quake.

Washington's senators, Slade Gorton and Patty Murray, voted to kill the proposed spending cuts.

Support for $8.6 billion in earthquake relief appeared overwhelming, and Senate passage was expected today.

Two other more modest proposals for spending cuts circulated to offset spending in the earthquake relief bill. As drafted, the measure calls for $11 billion in new spending and $3.4 billion in companion cuts.

The measure also includes $685 million for cleanup operations from last summer's Midwestern floods, $1.2 billion for Pentagon operations overseas and $315 million to repair a San Francisco freeway damaged in the 1989 earthquake.

The House has already approved its version of the measure, and congressional leaders are working to have the bill ready for President Clinton's signature by the time lawmakers go on vacation at the end of the week.

VIRGINIA

Judge dismisses last case in Tailhook saga

The last remaining case stemming from the drunken debauchery at the 1991 Tailhook convention was dismissed because of insufficient evidence, an attorney said yesterday.

Of 140 cases stemming from the scandal, no one has been court-martialed. About 50 Navy and Marine officers received administrative discipline.

Quantico Marine Corps Base issued a statement yesterday saying Lt. Gen. Charles C. Krulak had adjudicated the case against a Marine Corps lieutenant colonel accused of misconduct without imposing punishment.

It did not identify the colonel, but the attorney for Marine Lt. Col. Cass D. Howell identified his client as the defendant.

Howell's attorney, David L. Beck of Knoxville, Tenn., said all charges against Howell were dismissed Tuesday because of insufficient evidence.

Howell had been charged with lying and obstructing justice during the Tailhook probe. He also had been charged with assaulting a Tailhook investigator and with spending a night during the convention at the Las Vegas Hilton with a woman other than his wife.

Pentagon investigators concluded that 83 women were assaulted or molested at the convention.

ELSEWHERE

Texas: Jury selection in the ethics trial of Sen. Kay Bailey Hutchison, R-Texas, continued for a third day yesterday.

Washington, D.C.: A federal judge denied a request by Sen. Bob Packwood, R-Ore., to keep his diaries from the Senate Ethics Committee pending an appeal of the panel's subpoena.

■ P-I News Services

LOS ANGELES TIMES FEB 10 1994

Farmers Pays $100,000 Fine to Settle Quake Coverage Charges

By THOMAS S. MULLIGAN
TIMES STAFF WRITER

D-2

Farmers Insurance Group has paid a $100,000 fine to settle 8-month-old charges that it illegally failed to offer earthquake coverage to some people, the California Insurance Department announced Wednesday.

The settlement follows an investigation that began after a consumer complained to the department that Farmers—the state's third-largest homeowners insurer—had failed to offer her quake insurance after the 1989 Loma Prieta earthquake.

After investigating, the department alleged last June that "Farmers had failed to make accurate and complete earthquake insurance offers in 150 of 200 files examined."

Farmers spokesman John Millen called the violations "merely technical infractions" of the state law that says insurers may not sell a homeowners policy without also offering earthquake coverage.

Farmers agreed to the settlement more than a month ago, Millen said, adding, "The timing of this release—following a major earthquake—I find somewhat curious."

Millen said all customers signed forms indicating either acceptance or rejection of earthquake coverage, but he acknowledged that the process violated the law because the paperwork was not complete.

The department directed Farmers to mail a special quake insurance offering to everyone who became a new homeowners policyholder between Jan. 1, 1992, and April 21, 1993.

The department also said it will conduct "a full examination" of Farmers next month "to verify ongoing compliance with the law." Farmers has about 13.5% of California's homeowners insurance market.

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SAN FRANCISCO CHRONICLE FEB 10 1994

Capitol Hill Grumbling Over Earthquake Aid

Some in Congress complain too few have insurance

By Marc Sandalow
Chronicle Washington Bureau

Washington p.A1

As Congress prepares to hand over billions of dollars to earthquake-ravaged Southern California, a troubling question is lurking just below the surface.

Why should the nation spend so much money — an average of $38 for every man, woman and child in America — to bail out Californians who knowingly built on a fault line?

Even as the Senate prepared to give its approval to the $8.6 billion emergency relief bill today, some are beginning to question Uncle Sam's unflinching generosity.

"Our heart goes out to the people of California. But when it happens time after time ... it's legitimate to question how many times must we rebuild," Senator John Warner, R-Va, told his colleagues yesterday. "We've got to recognize that there are geographic areas in this country highly vulnerable to disaster."

Unlike last summer's Midwest flood, which was described as a once-in-500-year occurrence, the quake that hit Los Angeles on Jan-

QUAKE: Page A19 Col. 1

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uary 17 was a relatively routine act of nature that can be expected to occur several times in a generation.

While most members of Congress have been far too politic to utter words that could be construed as insensitive to victims or anti-Californian, privately there is an undercurrent of frustration that less than one in four people who live in the earthquake-prone state bother to purchase earthquake insurance.

"We are contributing to an attitude that people don't need to worry about things like flood insurance or earthquake insurance, or more rational siting of their home or businesses," New York Republican Gerald Solomon lectured during the House debate on the relief package last week.

"Yes, we are humanitarian, and we feel the pain of those who are left homeless and jobless. But there is a growing sense among many in this population that Uncle Sam can somehow pick up the tab for everyone, and every kind of damage," he said.

No one in Congress has asked for a reduction in the amount of federal relief intended for California — perhaps out of concern that the next disaster might hit their own constituents. But the staggering cost of the Los Angeles earthquake — now estimated as high as $20 billion — has given new urgency to those seeking to change the way the nation responds to disasters.

Many believe that the very expectation that the government will provide relief has contributed to a reckless attitude among residents who choose to live in areas where earthquakes — or hurricanes, tornadoes or floods — are not uncommon.

"I might as well start building houses on sandbars in the Potomac and then apply for federal aid when they wash away," said Pete Sepp of the Washington-based National Taxpayers Union. "Your heart has to go out to the victims, but your wallet has to have limits. Although the $8.6 billion outlay would not significantly affect the nation's $4.9 trillion debt, the amount is more than the annual budget of nearly half the states in the union. And with deficit reduction currently a popular political mantra, most of the debate over the earthquake bill has focused on whether it is appropriate to add it to the national debt.

"We all recognize the emergency (in California)," said Representative John Myers, R-Ind. "(But) We have a hemorrhaging national debt that affects every taxpayer in this country."

The Senate's discussion of earthquake aid was delayed for hours yesterday as Senator Bob Kerrey, D-Neb., tried unsuccessfully to tie the package to a 57-point proposal to reduce the budget deficit by $94 billion over the next five years.

White House budget director Leon Panetta raised the fiscal issue soon after the quake.

"Somehow we've got to do a better job in terms of preparing for disasters, either by setting aside some kind of fund to deal with disasters, or looking to insurance companies to try to deal with those areas that are particularly vulnerable to disasters," Panetta said in an interview on Cable News Network. On Capitol Hill, several proposed laws are intended to expand the coverage provided by private insurance companies.

San Jose Democrat Norm Mineta has introduced the Natural Disaster Protection Act, which would create a pool for insurance companies to draw from — backed by the federal government — during times of crisis.

In return, participating insurance companies would expand their homeowners policies to include natural disasters, passing the added costs to the consumer.

SAN JOSE MERCURY NEWS FEB 10 1994

Quake scapegoats

10B

Who is served by denying aid to illegal immigrants?

A month after the Northridge earthquake hit, some California congressmen would deny even one penny in federal disaster aid to illegal immigrants in Los Angeles. Meanwhile, Angelenos have more important things on their minds.

Federal and state officials in charge of disaster assistance in Los Angeles aren't demanding proof of citizenship or visas from people seeking help. This time, there seems to be an adequate number of bilingual interviewers and foreign-language application forms.

Nobody knows how many of the applicants are undocumented immigrants, but to the congressmen they are the scapegoats of the moment: freeloaders, job-stealers, welfare cheats, budget-busters, et cetera. If they were an earthquake, they'd be the Big One.

Such nonsense may sell on Capitol Hill, but it's not playing that well in L.A. right now. Republican Mayor Richard Riordan and Housing and Urban Development Secretary Henry Cisneros, a Democrat, deserve credit for treating all victims of the earthquake equally and without regard to citizenship or immigration status.

Who is served by denying shelter to homeless families in an emergency? What public good is there in starving thousands, many of them children?

The answer from some on Capitol Hill is that American taxpayers shouldn't foot the bill for people who are breaking the law by being here without permission.

The proper response is that there is more to charity and decency than paying taxes. But in a grandstanding move, some Southern California congressmen have amended an earthquake relief bill to deny long-term housing and small-business loans to illegal immigrants. The bill awaits Senate action.

This is absurd. The vast majority of illegal immigrants would never dare ask for government housing or government loans, and if they tried, federal law already disqualifies them.

Fortunately, the bill wouldn't outlaw temporary housing aid and food stamps for undocumented immigrants.

Life and rebuilding will go on in Los Angeles in spite of some jerks in Washington.

LOS ANGELES TIMES FEB 10 1994

Council Pledges $10.9 Million for Coliseum Repair

■ **Recovery:** Funds come from first federal grants. City attorney is ordered to determine if anyone is liable for failing to relay a 1991 report that stadium was vulnerable to quake.

By KENNETH REICH
TIMES STAFF WRITER

The Los Angeles City Council voted Wednesday to allocate $10.9 million from the first $75 million in federal earthquake grants to the city to start repairing the Los Angeles Memorial Coliseum. The vote came two days before an expected structural engineer's report on the full extent of quake damage to the historic stadium.

At the same time, the council instructed City Atty. James K. Hahn to report on whether the Coliseum's managers, the Spectacor Management Group, its architects or any other parties failed to comply with their responsibilities by failing to give the Coliseum Commission a 1991 report warning that the structure was vulnerable to a large earthquake.

The motion by Councilman Joel Wachs also instructed Hahn to advise the council on legal remedies it could pursue against any party he finds to have been negligent in the handling of the 1991 report.

No seismic retrofit was undertaken at the stadium between 1991 and the Northridge earthquake. Preliminary estimates are that the damage discovered so far in the Coliseum will cost $33 million to $35 million to repair.

The same structural engineer who warned of the quake danger in 1991, Nabib Youssef of Los Angeles, has been

Please see COLISEUM, B8

retained to give a more detailed report on the damage, probably by Friday.

As the first federal money was made available for repairs, the new Coliseum Commission president, Los Angeles County Supervisor Yvonne Brathwaite Burke, said the commission's legal counsel has concluded that Coliseum authorities have no continuing contracts with architects or builders under which the work could be done.

Two firms—the Tutor-Saliba construction group and HNTB architects—completed a $15-million renovation of the stadium last year, lowering the playing field and adding thousands of new lower-level seats.

Burke said a normal bidding procedure, which would contain specifications for repair work, would take months, ruling out repair of the facility before the next football season. But she said the Coliseum Commission would meet in special session next week, in the wake of the engineer's report, to consider two alternatives that might allow the Raiders and USC to play in the stadium this year.

One would be an abbreviated bidding process, she said, which might take as little as seven days. Architects and construction companies would be asked to bid only on a cost-plus-profit basis, with the plans and construction details to come later.

A second alternative would be "a finding by us that it is not in the interest of the Coliseum to put this out to bid," she said. Under this emergency procedure, the commission would simply select a company to do the work.

"Detailed specifications are going to be impossible for us if we are going to get this done," Burke said in an interview. "It's highly unlikely we can use the usual procedures."

Burke and the commission's project manager, Don C. Webb, cited ongoing freeway reconstruction in the wake of the earthquake as an example of how a project can be designed and constructed simultaneously.

Neither Burke nor Webb said they knew precisely what would be in the engineer's report expected Friday, but both expressed confidence the Coliseum could be reconstructed at an acceptable price, without substantial demolition first.

LOS ANGELES TIMES FEB 10 1994

Retrofitted Bridges Withstood Earthquake

By VIRGINIA ELLIS
TIMES STAFF WRITER

A3

SACRAMENTO—Dozens of highway structures that were strengthened for earthquake safety rode out the Northridge temblor with only minor damage, proving that the state's seismic retrofitting program can prevent major bridge collapses, a Caltrans report said Wednesday.

In their first detailed assessment of the damage sustained by highway overpasses and interchanges, Caltrans officials said the Northridge earthquake, unlike previous quakes, probably will not prompt major changes in retrofitting and design standards for bridges.

All the retrofitted bridges withstood major shaking, he said, with only minor damage.

"I don't see any big surprises in this earthquake like we had in Loma Prieta. I think what it showed is that what we were doing is right," said James Gates, chief of Caltrans' office of earthquake engineering.

He said most of the damage to the bridges was predictable and would have been prevented if the structures had been retrofitted. Only one of the eight bridges that collapsed in the quake was not scheduled for seismic strengthening.

Gates said officials believe there was not the extensive movement at several sites that had been first reported and led engineers to speculate that retrofitting might not have saved some of the bridges.

His comments were based on a report issued by the Post Earthquake Investigation Team, a group of engineers who were dispatched to Los Angeles to comb through the wreckage of heavily damaged and collapsed bridges in an effort to determine some of the causes of their failure.

Their findings, written to serve as a guide for engineers who are designing new bridges or retrofitting old structures, pointed out several potential trouble spots that the team said probably contributed to some of the collapses in the Jan. 17 quake.

In particular, members urged Caltrans to conduct more studies on the flares at the tops of columns and certain kinds of abutments that caused the ends of some bridges to break away from the land.

Gates said that in bridges designed in the early 1970s, flares were added to the tops of columns as an aesthetic feature

Please see BRIDGES, A21

that would break away in an earthquake.

As it turned out, he said, the flares on the Simi Valley Freeway did not break away and forced weaker sections of the columns to fail, causing a bridge to collapse.

The department, he said, will search for any other bridges that might be like them and re-examine them for possible inclusion in the retrofitting program.

For an unknown reason, he said, the bridges had fewer columns then most bridges, meaning that each one would have to carry a heavier load than normal.

Although the team recommended further study of the impact of vertical forces on bridges during the Northridge quake, Gates said he believes those forces will not turn out to be a contributing factor to the collapses.

"Earthquakes are very complicated and there was a significant vertical component in this earthquake. It's influence on structures we still don't know but my gut feeling is [it did not have much impact]," he said.

His opinion differs from that of Caltrans chief bridge engineer James E. Roberts, who has said he believes the strong vertical forces may have been a major factor in the failure of bridges.

1 9/10

LOS ANGELES TIMES FEB 09 1994

EARTHQUAKE

THE LONG ROAD BACK

Banking on Aftershocks

■ **Thrifts:** Home Savings hopes new lending program will keep homeowners from walking away from houses damaged in the quake.

By CHRIS KRAUL, TIMES STAFF WRITER

D-1

Home Savings of America, the nation's largest thrift, introduced a new lending program Tuesday to help its earthquake victims deal with damage to their homes, but it noted that the plan may result in significant losses because many of the riskier loans may never be fully repaid.

Irwindale-based Home Savings declined to estimate the size of the potential losses. But its chief executive, Charles R. Rinehart, said in an interview that he sees little chance of recovering money on as many as 200 of the new loans, whose balances will average about $100,000. That would expose the thrift to losses of as much as $20 million.

But Rinehart and some financial analysts say Home Savings' move is a savvy one designed to head off the higher losses that would result if homeowners abandoned their properties in droves. The riskier loans are expected to be made to homeowners with little equity left in dwellings that were badly damaged.

Home Savings is the first large Southern California lender to admit that the earthquake will have a major impact on its profit. Until now, lenders have generally said the quake would not cause significant financial damage.

Asked if it was considering new kinds of loans for quake victims, a Great Western Bank spokesman said Tuesday that the bank was "still reviewing all possibilities." Other major lenders were not available for comment or did not return phone calls.

In the interview, Rinehart said Home Savings will have a more precise figure for quake-related loan losses at the end of March, when its first quarter ends.

"It will be something that will be visible, in the millions of dollars," he said. "But what number you put in front of the millions is not known . . . at this time."

With about 32,000 borrowers in quake-affected areas, Home

Please see HOME, D6

Savings said about 370 of those have homes that are reported to be "seriously damaged." About two-thirds of the homes have been inspected, it said.

Home Savings is offering two new kinds of loans to the vast majority of its borrowers who have adjustable-rate mortgages. Fixed-rate borrowers are not eligible because Home Savings usually sells those loans to institutional investors and cannot unilaterally alter their terms.

The first new loan is a 12-month "bridge loan" designed for borrowers with sufficient equity in their property to qualify for more debt or for those eligible for federal quake assistance programs. These loans, which require no monthly payments and carry a below-market interest rate, can be paid off at the end of a year or added to a first mortgage.

The second loan type, which involves much more risk and is expected to result in the losses, is aimed at borrowers with little or no equity remaining in their houses because of falling property values. These loans will cover the amount of repairs and will carry no interest charges or payments.

But Home Savings would receive a second mortgage on the property that would be repaid if property values increased. If the value rises above the first-mortgage amount when the home is sold, the difference will be split 50-50 between the owner and lender until the entire amount of the second mortgage is paid off.

First Boston thrift analyst David B. Hilder said Home Savings is "making a rational economic calculation. It is better to provide funds for good borrowers with good credit histories to fix up their houses because those people are likely to keep making payments on their original loans."

"The idea is that [the anticipated loan losses] would be a lot less of a hit than if the guy walked [from the property," said Joseph A. Jolson, an analyst with Montgomery Secu-

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LOS ANGELES TIMES FEB 10 1994

‘Totally replacing two hospitals that were virtually mirrors of one another—unless it can be demonstrated that the community needs that—would not be in the best interest of patients or the community at large.’

WILLIAM D. PARENTE

CEO and president, Santa Monica Hospital

KIRK McKOY / Los Angeles Times

A Shot in the Arm

Quake Forces Hospitals to Confront the Future Today

By DAVID R. OLMOS
TIMES STAFF WRITER

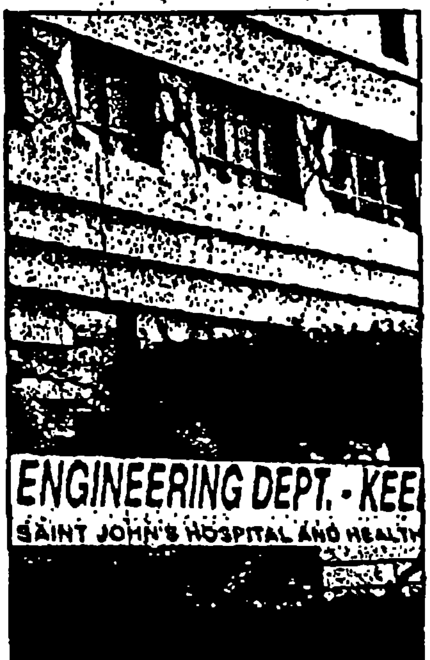
When hospital experts speak of an industry shakeout, an earthquake isn't exactly what they have in mind.

Yet the Northridge temblor—which caused hundreds of millions of dollars in damage to Southland hospitals—has added new urgency to efforts by these institutions to adapt to a rapidly changing health care system.

The disaster has helped, at least temporarily, to reduce the longstanding glut of privately operated hospital beds in the region. It has also forced administrators at some quake-damaged hospitals to rethink their strategies for adapting to anticipated national health reform and the growth in health maintenance organizations and other forms of managed care.

At two hospitals that were longtime rivals, administrators are talking seriously about how they might collaborate instead of simply compete. Some hospi-

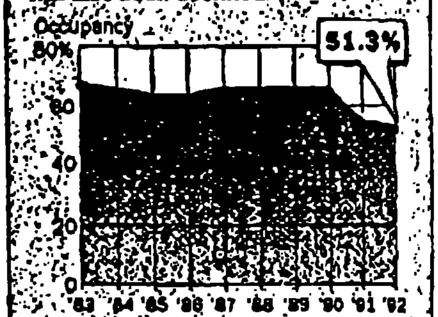
Please see HOSPITALS, D4



It would cost about $200 million to totally rebuild St. John's Hospital.

Declining Hospital Occupancy Rates

Hospital occupancy rates have been dropping in California since the mid-1950s, but the trend has accelerated in recent years due to the growth of managed care insurance, improved technology and other factors. The amount of time patients spend in the hospital has also been declined.



Source: Office of Statewide Health Planning and Development

Los Angeles Times

pitals see an opportunity to replace older, damaged buildings with facilities that are more in keeping with industry trends. For example, some are considering building smaller hospitals with fewer employees.

"If they've lost [acute care] beds, then they should consider not replacing them," said Ronald Spoltore, director of the health care practice at consultant Kenneth Leventhal & Co.

Eighteen area hospitals sustained "major or moderate damage" in the quake, according to the Office of Statewide Health Planning and Development. Industry sources predict that the repair bill could reach a staggering $1 billion. That figure includes an estimated $389 million in damage to County-USC Medical Center, a county-run facility where the pediatric and psychiatric buildings have been closed.

Private hospitals that suffered serious damage include St. John's Hospital and Health Center, Santa Monica Hospital Medical Center, Northridge Hospital Medical Center, Holy Cross Medical Center and Cedars-Sinai Medical Center. But only St. John's lost its ability for inpatient admissions.

Although fewer than 1,000 beds were rendered unusable by quake damage to buildings, that loss has temporarily helped to ease the glut of hospital beds. Hospitals that didn't lose beds are benefiting from the transfer of some patients from the more severely damaged facilities.

For example, with St. John's temporarily closed to inpatient admissions, doctors have had to send their patients to nearby facilities, such as Cedars-Sinai and UCLA Medical Center, both of which had been struggling to fill beds. Most of St. John's outpatient operations are open.

The hospital bed glut is a national problem that has been getting worse, particularly in Southern California. Improved medical technology has allowed more surgery to be done outside the hospital. Meanwhile, changes in Medicare reimbursement and the growth of managed care have forced hospitals to discharge patients "sicker and quicker."

In Los Angeles County, a leader in managed care, 48% of 31,300 acute care hospital beds were empty on any given day in late 1993, according to the Hospital Council of Southern California. The trade group estimates that 15% of the 260 hospitals in Los Angeles, Orange, Riverside, San Bernardino, Ventura and Santa Barbara counties will close or merge in the next five years.

But while nearly all the damaged hospitals have been able to continue operating, financial troubles may mount for some. Most of the damaged hospitals are believed to have earthquake insurance, but they still must pay millions of dollars out of pocket to meet insurance deductibles. Some will seek federal disaster aid. With more than half of Southern California's hospitals operating at a loss, those expenses could put a strain on financially weak institutions, industry experts said.

The impact of the quake—and the need to change—is perhaps most evident on the Westside, where damage at two Santa Monica hospitals has forced the temporary closure of about 650 acute care beds. The earthquake dealt a crippling blow to St. John's, a prominent hospital known for celebrity clients such as Elizabeth Taylor and Michael Jackson. Santa Monica Hospital suffered less significant damage.

Industry experts often cite Santa Monica—and the Westside generally—as having redundant health care services: more hospital beds and more medical equipment than the community's population really needs.

Even officials at Santa Monica Hospital and St. John's concede there is much overlap. For example, the two hospitals both have departments in obstetrics-gynecology, cardiology and orthopedics.

"Totally replacing two hospitals that were virtually mirrors of one another—unless it can be demonstrated that the community needs that—would not be in the best interest of patients or the community at large," said William D. Parente, Santa Monica Hospital's chief executive and president.

Executives of the rival hospitals met last week to discuss possible collaborative efforts. Such talks presumably could lead to anything from a merger to an agreement to rebuild their facilities to complement, rather than compete with, each other. A St. John's spokeswoman said Wednesday that a merger has not been discussed.

Parente said there is a "certain wariness" in the talks because neither hospital wants to run afoul of federal antitrust rules that govern such ventures.

St. John's estimates that repairs needed to make buildings safe again will cost up to $20 million, while totally rebuilding the facility could cost about $200 million, said Thomas Herrick, executive vice president.

"This is a golden opportunity for us to rebuild a hospital of the future," Herrick said. "We would like to build something that will knock everybody's socks off."

Though plans are not yet final, Herrick said, such a hospital would be much smaller and have fewer employees than in the past. It would incorporate the latest in technology to transport supplies and people, perhaps including computers that would allow nurses to communicate with patients at home. Experts predict that in the future, hospitals will be smaller, will focus on treating only the sickest patients and will perform an increasing number of surgical procedures at outpatient centers.

Herrick said a rebuilt St. John's would probably be designed around the concept of "patient-focused care," an increasingly popular concept in which people are tended by patient care "teams" that provide more personalized care.

"We have to make the person feel special and cared for, but we have to do it with less money," he said.

Some hospital experts, however, question whether St. John's move fast enough.

"Health care is so volatile and the industry is changing so dramatically that a year out of business could be devastating to them," said consultant Spoltore.

LOS ANGELES TIMES FEB 10 1994

Let's Do Our Part, Don't Shirk

Minor temporary increases in state taxes to dig way out of earthquake

The Jan. 17 earthquake, whose magnitude is expected to be officially raised to 6.8 by the National Earthquake Information Center, was the most powerful ever to affect a large U.S. population. It was also the costliest, with Gov. Pete Wilson's Administration now estimating losses at $13 billion to $20 billion. The question of how to pay for repairs and reconstruction remains as compelling as ever.

The Clinton Administration and Congress, demonstrating one of the virtues of federalism, are on track to treat Southern California generously, with close to $9.5 billion in aid expected eventually. Private insurance payouts could total about $2.5 billion more. Wilson's office puts the state's repair cost at $1.9 billion, with local governments facing a $135-million bill. Once upon a time the state could simply have tapped its considerable tax-revenue surplus to meet its obligations. But the cupboard has long since been emptied. How, then, should the state best meet its obligation?

Wilson continues to incline toward the slow, politically cautious and ultimately quite expensive route of a bond issue. Far more preferable, we think, is to apply pay-as-you-go financing to the repairs—as was done in the aftermath of the 1989 Loma Prieta quake in the Bay Area—using very modest, selective and temporary statewide tax hikes.

Sen. Quentin L. Kopp (I-San Francisco), chairman of the Transportation Committee, proposes boosting gasoline taxes a mere two cents a gallon for 3½ years to raise $1 billion for earthquake-related repairs and vitally needed seismic safety retrofitting of bridges, overpasses and the like. Our own earlier preference was for a larger gas tax over a shorter period, not least because the price of gasoline has fallen so much. However, the Legislature now has before it bills calling for the smaller gas tax and a temporary one-quarter-percent increase in the sales tax; the sales tax boost would yield $1.5 billion. These are affordable and equitable increases, and they are clearly necessary to help restore normal civic and economic life. Washington is ready to do its share. Now it's California's turn.

Q a.

Quake Aid Vote Stalled

WASHINGTON (AP) _ In a sign of anxiety over the deficit, rival plans to cut federal spending are complicating efforts in the Senate to quickly approve $8.6 billion in earthquake relief for California.

Senate Republican leader Bob Dole has one proposal that would offset the entire cost of the relief measure. Democrat John Kerry of Massachusetts is spearheading another that would cut federal spending $43 billion over four years.

Sen. Hank Brown, R-Colo., has a third: to cut money from the executive office of the president.

And so on.

Votes are expected on several of the deficit-reducing plans Thursday as the Senate resumes work on the measure that congressional leaders want cleared for President Clinton's signature by week's end.

In all, the bill provides spending of $11 billion, including the earthquake relief, $1.2 billion for the Pentagon and funds for clean-up from the last summer's Midwestern floods and repair of an San Francisco freeway damaged in a 1989 earthquake.

Some of the costs would be offset by companion cuts elsewhere in the budget totaling $3.4 billion. But that left several lawmakers dissatisfied.

The Senate spent virtually all day Wednesday debating the most ambitious of all deficit reduction blueprints, finally voting 65-31 to reject cuts totaling $94 billion over five years.

"When it comes time to spend money we can do things in record time," said Sen. Bob Kerrey, D-Neb., who led the unsuccessful effort.

"But when it comes time to putting an amendment together to reduce spending, well there just isn't a procedure to do it. 'This isn't the right time, this isn't the right way," ' he said, mimicking claims made by opponents.

Critics of the package said many of the claimed savings were illusory, either because some of the money hadn't been approved or because the money had already been set aside for other purposes.

Sen. Robert Byrd, the West Virginia Democrat who chairs the Appropriations Committee, said approval would dramatically slow the bill's final passage since compromise talks with the House could take weeks.

He also said most of the claimed savings "do not exist" or have already been earmarked for other programs. He cited savings the Senate has already voted to set aside for anti-crime programs, or Medicare savings the administration wants to use to finance its health care program.

"You don't save the money but one time, and we're claiming it three times," said Sen. Sam Nunn, D-Ga.

Supporters denied double-counting and said their cuts were long overdue. "None of these cuts are Draconian," Brown said.

The earthquake aid is designed to facilitate recovery from a disaster that caused 61 deaths, left thousands homeless and caused property damage estimated at $20 billion.

Sen. Dianne Feinstein, D-Calif., said an estimated 300,000 disaster aid applications have been collected by officials of the Federal Emergency Management Agency since the Jan. 17 quake.

The bill provides money for short-term assistance such as medical care and emergency shelter, as well as longer-term assistance ranging from Small Business Administration loans to housing.

The Senate also voted to tighten House-passed restrictions on aid going to illegal aliens.

Under the provision authored by Sen. Harry Reid, D-Nev., emergency assistance would be available to anyone who applies, but federal officials would be required to take "reasonable steps" to determine the legal status of those applying for benefits that last longer than 90 days.

AP-NY-02-10-94 0632EST

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JILL FRIEDMAN
DIRECTOR

FAX TRANSMITTAL SHEET

Date: ___/___/93

Time: _____ a.m./p.m. EST

TO: Kathi Way

___ URGENT
___ Priority
___ Routine

___ Approve
___ At your request
___ For your information
___ As discussed

___ Page(s) to follow

FROM: Jill

RE: __________

MESSAGE: Info. re. MO's proposed Emergency Conservation Reserve Program. As always, Thanks for your help!
Jill

Send CC to: __________

FAXED by: __________
(202) 624-7720
(202) 624-5855 FAX

The Washington Post FEB 3 1994 A11

House Defeats Debate Rule on Elevating EPA

By Kenneth J. Cooper
Washington Post Staff Writer

The House yesterday rejected an administration-backed motion to bring up legislation to elevate the Environmental Protection Agency to the Cabinet, despite lobbying by First Lady Hillary Rodham Clinton and Vice President Gore.

The 227 to 191 vote against a rule governing debate on the EPA bill means that compromise language is likely to be attached that would require the new Department of Environmental Protection to conduct cost-benefit studies of its regulations, according to a House Government Operations Committee aide. Consideration of the EPA bill will be delayed until after the February recess, the aide said.

Republicans who objected to the procedural motion because it did not allow a cost-benefit amendment were joined by 60 Democrats on what usually is a party line vote. Many Democrats who opposed the motion represent rural, agricultural areas of the South and West, where environmental regulation has been an economic issue.

The Senate rejected a similar amendment before approving the EPA bill, 79 to 15, last May.

Hillary Clinton and Gore had lobbied House Democrats to support the procedural motion to avoid a compromise on the cost-benefit issue. Democratic leaders had approached the vote warily because of the difficulty of getting accurate vote counts after a two-month recess.

The administration lost another legislative bid Tuesday when a House Education subcommittee defeated an administration proposal to more narrowly target federal funds for students to the nation's poorest school districts and counties.

The Washington Post FEB 3 1994 A26

LETTERS TO THE EDITOR

Drinking Water Safety: Let's Be Scientific

The recent drinking water emergency in Washington illustrated the need to reform the federal program that governs drinking water safety. On that, Rep. Henry Waxman and the nation's governors agree ["The Next Water Crisis," op-ed, Jan 19]. But the governors believe drinking water standards should be based on sound science and implemented in a streamlined manner.

The emergency in Washington occurred at a water treatment plant operated by the U.S. Army Corps of Engineers, with oversight from the Environmental Protection Agency. The locally operated water systems in the area continued to meet federal standards under the same circumstances.

Both the Washington and Milwaukee water emergencies point to the fundamental problem in the regulatory system: Congress requires federal, state and local governments to spend billions to monitor specific contaminants that may not even occur in drinking water, rather than focusing on actual health risks and seeking the best regulatory "buy."

Amazingly, the Environmental Protection Agency is *not* required to regulate many contaminants that actually occur in our water and threaten our citizens; however, EPA *is* required to regulate 83 other specific chemical contaminants that Congress wrote into the law in 1986, which may or may not actually occur in our water. There is no federal standard for cryptosporidium, the disease organism that killed 40 people in Milwaukee and drove 1 million Washington area residents to drink only boiled or bottled water for four days.

Far too much of the public's time and money is wasted on activities with little or no value. For example, communities across this nation are required to continually test their water for substances that do not occur in it.

A bill introduced in the House by Rep. Jim Slattery (D-Kan.) and Tom Bliley (R-Va.) directs EPA to regulate substances that actually occur in our water and are of public health concern. It also allows states and local governments to focus on those same contaminants, and it authorizes the EPA administrator to consider the public health benefits of regulatory alternatives in setting drinking water standards.

Passage of this bill would enable EPA to weigh the health benefits of several alternatives and set a water standard at a level that represents the best "regulatory buy," provided that public health is protected. At present, EPA cannot choose between alternatives that provide comparable health benefits but differ significantly in cost. Such changes in the law would significantly strengthen the effectiveness of the Safe Drinking Water Act.

The governors also support President Clinton's recommendation to authorize a low-interest loan program, financed in part by the federal government and administered by states, to help our communities build better and safer drinking water systems.

If Congress responds with business as usual, overwhelming state authority with an inflexible federal structure and limited local flexibility, we will simply continue to pour the public's money down the drain.

BOB MILLER
Governor of Nevada,
FIFE SYMINGTON
Governor of Arizona
Washington

The writers are, respectively, the chairman and vice chairman of the National Governors' Association Committee on Natural Resources.

THE WALL STREET JOURNAL FEB 3 1994 A16

Clinton Today Begins an Attempt to Clean Up Big Toxic-Waste Problem: Superfund Law Itself

By TIMOTHY NOAH
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – The Clinton administration and Congress are about to try to alleviate the superheadache known as Superfund.

At a news conference and congressional hearing today, Environmental Protection Administrator Carol Browner will unveil details of the administration's plan to rewrite the Superfund law, which governs the cleanup of abandoned hazardous-waste dumps. Of all the nation's environmental laws, it is arguably the one most hated by businesses, having already cost them an estimated $5.7 billion in cleanup and litigation costs, with no end in sight.

Administration officials claim their proposal is designed to reduce the cost to businesses without diminishing the benefits for the environment. In fact, both business groups and environmentalists will likely have complaints with the new proposal. But in general, the new Superfund plan provides further evidence that the Clinton administration is far more pro-business in its approach to the environment than its campaign rhetoric would have suggested.

Here are answers to some major questions about the new bill:

What's wrong with the current Superfund law?

In his first speech to Congress last year, President Clinton declared: "I'd like to use that Superfund to clean up pollution for a change, and not just pay lawyers." From businesses and the environmental community as well, the main complaint is that the law, enacted in 1980 and revised in 1986, has led to too many lawsuits and too little cleanup: Of the $13.4 billion that business and government have spent on Superfund, according to an estimate by the Congressional Budget Office, $3 billion has been spent on litigation.

Most of the business community blames the litigation explosion on the fact that, as currently written, the law calls for "joint and several liability" in cleaning up toxic-waste sites. That means an individual company can be held financially liable for cleanup of an entire dump site, even if the company dumped only a minute amount of waste there and even if that waste was dumped lawfully at the time. Any company held liable then has a strong incentive to turn around and sue the other companies responsible. The result is a flurry of lawsuits that can delay cleanup.

Business groups, and especially the insurance companies which often end up paying cleanup bills, argue that they shouldn't be held liable for toxic wastes dumped before the law was enacted in 1980, or even before 1986, when federal record-keeping requirements made it easier to determine which companies dumped which materials at a site. Not coincidentally, 1986 is also when insurers started writing policies that explicitly exclude liability for hazardous-waste cleanup.

Environmentalists, on the other hand, like the current system because it strengthens the government's hand in reaching out-of-court settlements and enforces the principle that, no matter what the law said at any given time, it is the polluter, and not the general public, that pays for cleanup.

How would the Clinton plan change liability under the Superfund law?

On the Hook
Estimated costs of Superfund cleanups, in billions

	THROUGH FISCAL YEAR 1992	FISCAL YEAR 1993-2075
Federal government	$7.5	$72.7
State governments	0.1	19.2
Businesses	5.7	142.9

Source: Congressional Budget Office

The president's plan, which is expected to be introduced in the House by Democratic Rep. Al Swift of Washington and in the Senate by Democratic Sen. Frank Lautenberg of New Jersey, would limit, though not eliminate, lawsuits based on the two controversial types of liability.

Under the president's plan, a nongovernmental arbitrator, such as a nonprofit group, would determine which companies are responsible for which wastes at a given dump, and allocate costs among them accordingly. Companies wouldn't have to accept this nonjudicial decision, but if they did, they couldn't be sued by other businesses seeking to rid themselves of part of their liability for site cleanup. For companies that fight the Environmental Protection Agency in court, joint and several liability would still exist.

Businesses would still be liable for dumping that occurred prior to 1986. But the federal government would create a new fund to settle lawsuits between polluting businesses and their insurers, with an aim toward reducing such suits by 95%. The fund would be created by taxing property and casualty insurers $500 million in each of the first two years after the law takes effect, and as much as $700 million a year in the following three years. Depending on the laws of the state in which they are suing, polluting companies could get 20%, 40% or 60% of their cleanup costs for wastes dumped before 1986 from the new fund. In states that tend to favor insurers in such cases, such as Florida and New York, the fund would likely pay 20%; it would likely pay 60% in states that tend to favor polluting companies, such as New Jersey.

What other significant changes are in the bill?

Reflecting a longstanding consensus between the EPA and the business community, the Superfund plan would allow federal officials greater flexibility to approve different levels of cleanup for a Superfund site, depending on that site's expected future use. In other words, the standard would be different if the site is going to become a parking lot or if it is going to become a playground.

But the EPA would move more quickly on "hot spots," or areas within waste sites where danger from contamination is particularly high. Overall, the administration estimates the changes in standards will reduce cleanup costs by roughly 25%, though that could change as the bill makes its way through Congress.

In addition, purchasers of abandoned urban properties that have already been designated as Superfund sites would be exempted from Superfund liability, a move that is aimed at easing financial barriers to revitalizing urban areas.

What are prospects for the bill's passage?

Environmental and business groups are both likely to be critical of parts of the bill, but will probably focus most of their efforts on quietly changing the bill as it makes its way through Congress.

The strongest criticism of the administration bill will come from an unlikely alliance between Rev. Ben Chavis, executive director of the National Association for the Advancement of Colored People, and several insurance and other businesses, including American International Group Inc., Texaco Inc., Shell Oil Co., Phillips

CONTINUED

THE WALL STREET JOURNAL FEB 3 1994

CONTINUED

Petroleum Co. and Olin Corp. Mr. Chavis, a leader of the "environmental justice" movement, says that the quickest way to clean up Superfund sites, which are disproportionately located in minority communities, is to eliminate the two controversial types of liability and pay for cleanup entirely with taxes on businesses and individuals.

Virtually everyone agrees that the legislation isn't likely to move quickly through Congress, and that final passage may not occur before the present law expires next fall. If that is the case, Congress will have to pass a stopgap bill later this year continuing funding for the program. Such a move, however, is likely to slow the pace of cleanups.

END

THE WALL STREET JOURNAL FEB 3 1994 A16

Insurers Fear That Superfund Changes May Not Do Much to Lower Their Costs

By GREG STEINMETZ
Staff Reporter of THE WALL STREET JOURNAL

Insurance companies, which initially cheered the Clinton administration's plan to revise the Superfund law, now fear a new tax in the plan will do little to ease their costs for cleaning up hazardous-waste sites, now estimated as ultimately costing as much as $200 billion.

The administration's plan to revise the Superfund law, scheduled to be released today, proposes what's expected to be a $3.1 billion assessment over five years on companies that write commercial property and casualty insurance. The money would go into a trust fund that companies with pollution liabilities can tap for part of their clean-up costs.

The industry had supported the trust fund concept because it could slash legal fees, which are one of the biggest costs now associated with cleaning waste sites.

But upon further analysis of the Clinton plan, insurers worry that the changes might be worse than the status quo. That's because the administration would allow polluters to sidestep the trust fund and sue the insurance companies to pay the entire clean-up costs, as they do now.

"I'm pessimistic about the proposal at this point," said John Arlington, senior counsel for the American Insurance Association, a leading industry trade group.

Insurance companies fear polluters with weak court cases would tap the trust fund and get more money than merited by their legal position. Meanwhile, polluters with strong court cases would sue and get more money than they could from the trust fund.

Calculations Being Made

"It's that escape hatch that is so difficult to calculate," said John Mascotte, chairman of Continental Corp. Continental and other insurers are now trying to make those calculations, figuring whether they would pay more or less under the Clinton plan than they do now. Their findings could determine whether the insurance industry decides to support or oppose the administration bill.

"There's a distinct possibility that the remedy will cost more than it currently costs," said David Farmer, a vice president for the Alliance of American Insurers, another insurance trade association.

Insurance experts say another issue is whether the trust fund will have enough money to pay all the clean-up costs. The average Superfund site costs about $25 million to clean. If the fund runs dry, Washington could impose an even higher tax on the insurance industry, said John Snyder, senior vice president for A.M. Best Co.

No bigger issue faces the property and casualty insurance industry than pollution claims, said Kidder Peabody & Co. stock analyst Steven Gavios. He believes the ultimate costs for the insurance industry will range from $100 billion to $200 billion in pretax dollars over the next several years. That's a staggering amount for an industry with annual net income of $10 billion to $15 billion. By comparision, the insurers paid a total of $22 billion on hurricane and other catastrophe claims during the entire 1980s.

Some Insurers Could Fail

Some insurers are likely to fail because of pollution claims, Mr. Gavios estimates. "But stronger players will be in a much better situation," he said, after the pollution issue is behind them.

Most of the pollution claims made against insurers arise from general liability policies written in the 1950s, 1960s and 1970s. Insurers have tried to deny payment, arguing that they never envisioned pollution claims and the strict environmental laws.

Policyholders have responded by suing the insurance companies and, in about half the cases, they've won. The administration's plan will try to streamline the process by creating a no-fault system in which the polluters would tap the trust fund for part of their clean-up costs.

The amount they're eligible to receive would depend on the history of claims disputes in their states. In states where 60% of the cases have been won by the polluters, the polluter could apply for a 60% recovery. Where polluters won only 20% of the cases, they would be eligible for a 20% recovery.

The proposal does contain one significant concession to the insurance industry, however. If one of its policyholders chooses to use trust fund money to clean up a site, the fund will indemnify the insurer from claims by other policyholders who polluted the same site.

A.M. Best's Mr. Snyder added that well-run insurers, which are far along the road to settling their biggest pollution claims, might fight the trust fund approach because it would put them into the position of bailing out insurers that are less well managed. "You could have companies at odds over this issue," he said.

FACSIMILE TRANSMISSION

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WASHINGTON, DC 20472

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Organization White House Domestic Policy

Voice Phone 456-7777

FAX Phone 456-7028

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THE WASHINGTON POST
FEBRUARY 10, 1994

Spending Cut Battles Hold Up Quake Relief

Senate Rejects Kerrey-Brown Proposal; 30 Pending Amendments Threaten to Delay Recess

By Helen Dewar
Washington Post Staff Writer

The Senate last night rejected an effort by a bipartisan group of anti-deficit "hawks" to piggyback $94 billion worth of spending cuts over five years onto a bill containing $8.6 billion in emergency aid to earthquake victims in Southern California.

The proposal from Sens. Bob Kerrey (D-Neb.) and Hank Brown (R-Colo.) was rejected, 65 to 31, after foes—led by Appropriations Committee Chairman Robert C. Byrd (D-W.Va.)—complained that most of the proposed savings were illusory.

Still pending are more than 30 amendments, including a proposal by Minority Leader Robert J. Dole (R-Kan.) to cut spending to offset costs of the bill.

The House has passed the earthquake relief bill, and the Senate is hoping to do likewise before Congress leaves for its week-long President's Day recess—just short of a month since the disasterous Los Angeles earthquake.

But the flood of amendments and the Senate's slow pace in dealing with them threatened that goal, prompting Majority Leader George J. Mitchell (D-Maine) to warn that the recess will be delayed until the measure is enacted.

The Kerrey-Brown proposal called for 57 separate spending cuts that would have saved $7 billion this year, or roughly double the $3.4 billion in cuts that Clinton proposed and the Senate Appropriations Committee wrote into the bill to partially offset the new spending.

Their proposal was similar to the five-year, $90 billion savings plan proposed last year in the House by Reps. Timothy J. Penny (D-Minn.) and John R. Kasich (R-Ohio) and narrowly defeated after a heavy lobbying campaign by the White House.

While Kerrey denied he was trying to hold the relief measure hostage to passage of the spending cuts, Sen. Barbara Boxer (D-Calif.) said Kerrey's proposal threatened to delay relief for California and begged him to withdraw it.

Kerrey turned aside the request, saying the real "driving force" behind the rush was Congress's hope to recess on time. Besides, he said, "when it comes time to spend money, we can do things in record time."

Deficit reductions are necessary to create an economy strong enough to support the kind of national "generosity" that the earthquake-relief measure epitomizes, Kerrey argued.

The Kerrey-Brown proposal called for elimination, consolidation and reduction of a wide variety of programs, with the biggest savings coming from Medicare ($30.5 billion), cutting the federal work force by 252,000 jobs ($26.7 billion) and cutting back on the growth of travel, communications and other overhead of federal agencies ($21 billion).

But these big-ticket items became big targets for Byrd, who said they illustrated what he described as the virtually "nonexistent" savings claimed by Kerrey and Brown.

Medicare savings are essential to the financing of every major health care proposal before Congress and thus cannot be counted as savings, he argued. Nearly all of the savings from work force cuts have already been claimed in financing the huge anti-crime bill passed by the Senate last year and thus cannot be counted again, he added. As for agency overhead costs, President Clinton has made most of the savings by executive order, Byrd added.

Byrd did not stop with the big items. Some of the smaller savings claimed by Kerrey and Brown involved appropriations that were never approved or spending that has been rescinded, he contended.

As a whole, "the overwhelming percentage of these claimed savings are nonexistent," Byrd declared. "Try as we might, we cannot have it both ways" in counting money both for deficit reduction and popular spending programs such as anti-crime initiatives, he added.

"This really is the third time we've spent this money," complained Sen. Sam Nunn (D-Ga.).

The bill before the Senate totals $11 billion, including money to cover a variety of funding shortfalls as well as the $8.6 billion in emergency aid and longer-term housing, highway and business assistance for Southern California.

At Clinton's request, the Senate is adding $250 million to the $435 million that the House approved to help clean up after the midwestern floods last summer. Also at Clinton's request, offsetting spending cuts were increased by $880 million to $3.4 billion.

The bill also includes $1.2 billion for peacekeeping operations in Somalia, Bosnia, Iraq and Haiti, as as $315 million to help rebuild a freeway damaged by the 1989 earthquake in the San Francisco Bay area.

MINNEAPOLIS STAR AND TRIBUNE FEB 10 1994

Senate rejects adding $94 billion cuts to bill to aid California quake victims

From News Services

SK

Washington, D.C.
The Senate rejected Wednesday night an effort by a bipartisan group of anti-deficit "hawks" to piggyback $94 billion worth of spending cuts over five years onto a bill containing $8.6 billion in emergency aid to earthquake victims in Southern California.

The proposal from Sens. Bob Kerrey, D-Neb., and Hank Brown, R-Colo., was defeated 65-31 after foes complained that most of the proposed savings were illusory.

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The Kerrey-Brown proposal called for 57 separate spending cuts that would save $7 billion this year — or roughly double the $3.4 billion in cuts that President Clinton proposed and the Senate Appropriations Committee wrote into the bill to partially offset the disaster spending.

Their proposal was similar to the five-year, $90 billion savings plan proposed last year in the House by Reps. Tim Penny, D-Minn., and John Kasich, R-Ohio, and narrowly defeated after a heavy lobbying campaign by the White House.

Also pending was a Republican proposal to cut spending by enough to offset costs of the spending bill, along with a larger plan to be considered later in the year to cut deficits by $50 billion over five years.

Earthquake relief aside, the measure includes $685 million for cleanup operations from last summer's Midwestern floods, $1.2 billion for Pentagon operations in Bosnia, Somalia and elsewhere, and $315 million to repair a San Francisco freeway damaged in a 1989 earthquake. It also envisions spending $300 million on heating assistance for low-income people from money already approved.

The House has already approved its version of the measure, and congressional leaders are working to have the bill ready for Clinton's signature by the time Congress begins its midwinter vacation this week.

Congressional ROUNDUP

Credit bill snags

Legislation aimed at forcing the credit reporting industry to clean up its act hit a roadblock after the House Banking Committee adopted a series of amendments opposed by consumer advocates and Rep. Henry Gonzalez, D-Texas, chairman of the committee, gaveled a bill-writing session to a close without a final vote.

The bill would have required credit reporting companies to investigate consumer complaints of inaccuracies and delete any information from credit records they could not verify within 30 days. It also would have forced credit reporters to set up toll-free lines to field complaints and provide one free report a year on request to assist consumers in making sure their records were mistake-free.

However, the committee had voted 30-19 to give large corporations, such as bank holding companies, wide latitude in sharing credit information among affiliated companies.

The stalemate leaves the fate of credit reporting reforms up in the air. The Senate Banking Committee on Oct. 28 adopted a measure similar to the amended bill left hanging in the House committee.

Consumer advocates praised the decision to hold up the bill. "I'm pleased the leadership saw the industry got too greedy," said Ed Mierzwinski of the U.S. Public Interest Research Group.

Surveys by consumer groups show that nearly half of all credit reports contain errors and 20 percent have mistakes so severe that they could cost consumers a chance at a new job or a mortgage loan.

LOS ANGELES TIMES

FEB 10 1994

State Must Pay 10% of Quake Costs, U.S. Says A3

By GLENN F. BUNTING
TIMES STAFF WRITER

WASHINGTON—The Clinton Administration has decided against providing earthquake-stricken California with the unusually high level of disaster aid that Florida received after Hurricane Andrew to repair roads, schools and other damaged public facilities.

A bipartisan group of California officials, led by Republican Gov. Pete Wilson and Democratic Sen. Dianne Feinstein, began pressing the White House shortly after the Jan. 17 temblor for 100% reimbursement of public works reconstruction costs—just as the Bush Administration gave Florida in September, 1992.

Please see RELIEF, A21

But the Administration, citing a new "fiscally responsible" policy, insists that California pay 10% of most of the estimated $3.4 billion to repair public sector damage in Southern California, or about $342 million.

Administration officials said the Florida aid package was sweetened by political necessity, pointing out that it was delivered two months before the 1992 presidential election and against the advice of federal emergency administrators.

"Our position is that it's appropriate for states to bear 10% of the cost for the total amount in order to ensure better accountability in the spending of those funds," said Tom Epstein, White House liaison for California. "That has been our consistent position since this Administration took office."

The 10% formula was applied last summer during the Midwest floods, the first major federal disaster on the Clinton Administration's watch.

The $3.4 billion for rebuilding public facilities is contained in the $8.6-billion earthquake aid package that is moving through Congress and is expected to land on the President's desk this week. While the federal reimbursement formulas are not subject to legislative approval, White House officials say they consider the 100% formula "politically unacceptable" on Capitol Hill.

Nevertheless, the Wilson Administration and other Republicans said they intend to keep pushing for full reimbursement.

"I think the President ought to do as much for California as was done for Florida," said Assembly Republican Leader Jim Brulte.

California Democrats say Clinton will not budge and that the fight is over. Officials who continue to complain risk annoying the White House and could jeopardize funding for other California projects, they warn.

"I think it's one thing to say we're trying to do the best for California and we want 100% reimbursement," said Rep. Julian C. Dixon (D-Los Angeles), who helped steer the Administration's aid package through the House. "It's another thing to be real and say we have a new Democratic President who has come out with a very generous 90-10 formula and that's the deal.

"I really think it is a dead issue at this point."

Funds to repair public structures make up one of two major forms of disaster relief provided by the Federal Emergency Management Agency. They are used to rebuild mass transit, roads, libraries, schools, universities, sewers, water systems and other state or local government-owned facilities.

In most federally declared disasters, FEMA pays 75% of the cost of repairing government structures and systems. But in cases of catastrophic disasters such as the Florida hurricane and the Northridge quake, the cost-share ratios often are adjusted to further help financially battered states and local communities.

With the Northridge quake, the federal government will provide 75% reimbursement for the first $300 million in damages. The Administration changed the reimbursement level for the remaining $3.1 billion in costs, agreeing to pay 90% of that amount.

Under this arrangement, California's share of public facility repairs will amount to approximately $417 million, according to damage estimates from the Northridge quake released Tuesday by the state Office of Emergency Assistance.

In Florida's case, FEMA paid $1.7 billion and Florida $32 million for public sector repairs, according to FEMA officials.

If California had been treated the same as Florida, the state would pay only $75 million—a saving of $342 million.

7 0116

DHHS EARTHQUAKE RECOVERY COORDINATION COMMITTEE REPRESENTATIVES			
AGENCY	NAME	PHONE	FAX
OASH/OEP	Dr. Frank Young	301-443-1167	301-443-5146
PHS/REG IX	Heidi Fitton	818-405-7062	818-405-7509
SAMHSA	Frank Sullivan	301-443-4111	301-443-0496
CDC	Kent Gray	404-488-7100	404-488-7107
NIH	James O'Donnell	301-402-0854	301-496-0166
HRSA/BPHC	Philip Killam	301-594-4110	301-594-4072
IHS	Bruce Chelikowsky	301-443-1048	301-443-5697
FDA	Remle Grove	301-443-1240	301-443-3757
HCFA	Lee Mosedale	410-966-2085	410-966-7667
OASH/NAPO	Nancy Hazleton	202-690-5560	202-690-7560
SSA	James See	410-965-9582	410-965-3283
ACF	Marianne Rufty	202-401-9262	202-401-5706
PHS/REG IX	Ronald Banks	415-556-5810	415-556-0343
PHS/REG IX	Grantland Johnson	415-556-1961	415-556-1023
OASH/OIA	Tony Fitzpatrick	301-443-6670	301-443-6369
AOA	Alicia Ors	202-619-2618	202-619-7586
OS	John Monahan	202-690-6060	202-690-5672

Grantland—

I am not actively following this committee because I assume you are taking the lead. Of course, pls. call me if you have any questions or I can help.

J

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Rockville MD 20857

DATE: February 18, 1994

FROM: Director, Office of Emergency Preparedness/National Disaster Medical System

SUBJECT: Agency Submission of Long Term Recovery Milestones - Northridge Earthquake

TO: Agency Representatives

The White House Earthquake Steering Committee, chaired by John Emerson, Deputy Assistant to the President, held a meeting on Thursday, February 24 (agenda attached). Each participating department was requested to provide by Thursday, February 24, a planning document outlining anticipated programmatic milestones at 3, 6, and 12 months, including completion of recovery phase.

For simplicity, please assume that your budget requests are funded at 100%. If there are changes to resources provided to your Agency the plan will be adjusted accordingly. To ensure time for review in Office of the Assistant Secretary for Health and the Office of the Secretary, please provide these milestones to the Office of Emergency Preparedness on a program by program basis by noon Wednesday, February 23. Also, please include the evaluation process by which you will determine whether these program milestones are met.

Your efforts to meet the extremely tight deadlines during the response to the earthquake are greatly appreciated. Thank you very much for your help in meeting the needs of those affected by the earthquake.

Attachment

cc: Dr. Philip Lee
Mr. Anthony Itteilag
Mr. William Beldon
Mr. Harrell Little
Mr. Marty Davis

Northridge Earthquake Long Term Recovery
Meeting Agenda
February 17, 1994 2:30 Roosevelt Room

I. Near Term Objectives

- Determine Administration goals for long-term recovery
- Establish accountability for meeting objectives and ability to measure progress toward goals
- Create a mechanism to:
  - expeditiously identify and resolve political problems and policy questions,
  - manage ongoing media strategy
  - continue political outreach.

II. Organizational Structure

- Create Steering Committee to coordinate policy and resolve issues.
- Establish Working Groups to develop detailed recovery objectives.
- Designate agency earthquake officials.
- Establish responsibilities an lines of communications White House staff

III. Potential Working Groups

- Housing
- Transportation
- Public Buildings/Infrastructure repair and reconstruction
- Economic Development
- Public Health/Social Services
- Immigration/Reid Amendment Implementation
- Banking/Finance

IV. Other Issues

- Communications - Establish lines of communications
- Outreach - Education of public officials, technical fair, job fair
- Funding - Uses of FEMA funds and the unallocated reserve

V. Strategic Plans

- Are formal plans by department or functional area too bureaucratic?
- Subgroups develop measurable objectives and assign responsibilities?

Administrator
General Services Administration
Washington, DC 20405

9 February, 1994

The Honorable Donna Shalala
Secretary of Health and Human Services
Washington, DC 20201

Dear Madam Secretary:

As we are all well aware, the earthquake in California has caused tremendous damage to the infrastructure of the greater Los Angeles area. This has forced those with already long commutes into even longer commutes and has created enormous additional traffic problems on an already overburdened transit system. GSA has begun to take action which we believe will not only help the federal workforce continue to deliver their vital services to the public, but also relieve the pressure on the traffic and commuting problems.

Through its Office of Worplace Initiatives, GSA has set up the first three Federal Telecommuting Centers in the greater Los Angeles area. Eventually we hope to have as many as 25 centers operating, serving between 2000 and 3000 federal employees, depending on the demand. These centers will provide the federal workforce with alternatives so that they can carry out their duties. Our centers will also provide logistical and administrative support to those who desire to work at home. GSA is also consulting with and providing logistical support to Mayor Riordan's office in coordinating their telecommuting efforts.

GSA will offer these centers free of charge to participating agencies for the remainder of the fiscal year. The only charges will be for any specialized needs. Attached to this letter is a list of the first three centers and the services offered.

We hope that these efforts will not only help in the short term, but that most, if not all, of these centers will remain as permanent effective alternative workplaces for the future.

To make this program a success, we need your help.

I am hereby requesting your assistance in communicating to your regional offices the importance of having your employees participate in this program so that they can continue to provide their high level of service, and at the same time help solve the transportation problems in the area. We need your support so that we can offer the maximum amount of telecommuting services to the largest group of the almost 20,000 federal employees living in the affected area. The Los Angeles Area Federal Executive Board has already sent out a survey to each agency to assess their needs for telecommuting. Many agencies have told us that the support of their Washington leadership would be a great help in convincing managers to let their workers use the centers.

Please join us in this effort to help the citizens of California in the recovery from the earthquake. If you have any questions, please contact Patrick Dorinson, Associate Administrator for Public Affairs at GSA. His number is 501-0705. If you would like to encourage your field managers in the Los Angeles area to participate in this program, they should call GSA's Michael Larson at 213/894-3784.

I look forward to working with you on this very important initiative.

Sincerely,

ROGER W. JOHNSON
Administrator

Attachment

9402140116

General Services Administration
Washington, DC 20405

GSA FEDERAL TELECOMMUTING CENTERS
LOS ANGELES, CALIFORNIA

SANTA CLARITA VALLEY TELECOMMUTING CENTER
Valencia Technology Park
28460 Avenue Stanford, Suite 215
Valencia, California 91355

VAN NUYS / SHERMAN OAKS TELECOMMUTING CENTER
15335 Morrison Street, 3rd Floor
Sherman Oaks, California 91403

THOUSAND OAKS TELECOMMUTING CENTER
31416 West Agoura, Room 180
Westlake Village, California 91361

The Centers offer:

- 30 fully furnished work stations / 15 with computers.
- Telephones with dial tone and local access. Toll and long distance calls are charged to the user agency telephone credit card.
- 15 IBM compatible 486 computers with modems. Computers are equipped with DOS, Windows, and Microsoft Office (Word for Windows, Excel, Powerpoint).
- HP laser jet printers (2).
- Facsimile (FAX) and copier machines.
- Conference Rooms (2).
- Administrative manager to operate the center.
- Kitchenette with refrigerator and microwave.

DAILY CLIPS

NEWSPAPER CLIPS
TELEVISION NEWS TRANSCRIPTS
TUESDAY, MARCH 22, 1994

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THE WASHINGTON POST
MARCH 22, 1994

Illegal Immigrants Targeted

FEMA to Screen L.A. Quake Aid Applications

By Roberto Suro
Washington Post Staff Writer

Acceding to congressional demands, the Clinton administration announced yesterday that immigration officers will check applications for housing assistance after the Southern California earthquake and that illegal immigrants caught seeking aid will be prosecuted.

The new screening procedures mark the first time authorities have been instructed to scrutinize the immigration status of applicants for humanitarian aid. It also marks the first time the federal government has used the threat of fines and imprisonment to deter illegal immigrants from participating in a benefits program.

The crackdown on earthquake aid comes amid growing agitation in Congress and in some quarters of the administration for tougher action to prevent illegal immigrants from getting government services. Proponents of the new measures—led by Democrats—predict the earthquake plan could become a model for restrictions on a variety of benefits programs such as health insurance or welfare payments.

Officials at the Federal Emergency Management Agency, which announced the new measures, said they had no estimates of how many people might be affected but expected the number to be small. "We have had extensive experience in immigrant communities, and what we have found is that very few illegal aliens ask for help even when we have gone to great lengths to tell people we didn't care whether they were illegal or not," said a senior FEMA official.

In the past, the federal government always has helped victims of natural disasters without regard to their immigration status. Congress changed that practice in February when it approved $8.6 billion in relief funds for the Los Angeles area.

For the first 90 days after the Jan. 17 earthquake, the government will continue to offer help as before, but after 90 days the February bill's prohibition on aid to illegal immigrants will go into effect. That distinction is the result of a compromise crafted by the Democratic congressional leadership and adopted in a conference committee in order to avoid a noisy floor fight and a recorded vote on the measure, senior congressional aides said.

To enforce the measure, Congress instructed the government to take "reasonable" steps to determine the immigration status of applicants, but what constitute reasonable steps immediately became controversial.

Initially, FEMA proposed allowing applicants to certify their immigration status just as they are asked to certify many other aspects of their identity and qualifications for assistance.

"We routinely deal with people who have lost everything, including their identity documents," said a senior FEMA official. "We take their word as to who they are at least initially and then we have a lot of procedures to verify their claims later."

But Sen. Dianne Feinstein (D-Calif.) objected, and in a letter dated March 1 to FEMA Director James Lee Witt she wrote: "It is my belief that FEMA should not be relying solely on the honor system, nor should it base its procedure entirely on an empty warning against making false statements. Without further safeguards . . . I believe that the proposed FEMA process will provide much too little deterrent to be effective."

"This process . . . could be used in a lot of federal benefit programs."

— A congressional aide

Feinstein was joined in pressing for more stringent measures by Sen. Harry M. Reid (D-Nev.), and in response to their demands FEMA will ask applicants to make a formal declaration of their immigration status that carries penalties of fines and imprisonment for false statements. In addition, applicants will be required to produce identity documents. The Immigration and Naturalization Service also will "do spot checks of the applications on a routine basis," according to a congressional aide involved in developing the plan.

"Depending on how well it works, this process of a formal declaration of lawful status backed up by the immigration service auditing the applications could be used in a lot of federal benefit programs," the aide said.

Experts said a major weakness in the new procedure was the fact that Congress did not spell out exactly what it considered to be lawful status in the United States.

"For the great majority it is clear-cut, but there are gray areas involving a lot of people whose status here is under dispute and deciding those cases could prove quite time consuming," said Warren R. Leiden, executive director of the American Immigration Lawyers Association.

As of the end of last week, FEMA had declared 207,400 people eligible for disaster housing assistance as a result of the Jan. 17 earthquake. It had paid out more than $500 million for temporary assistance that can be extended for up to 18 months for people unable to reestablish their residences.

SAN FRANCISCO CHRONICLE MAR 2 2 1994

☑ FALLING THROUGH THE CRACKS

Quake Victims Feel Abandoned

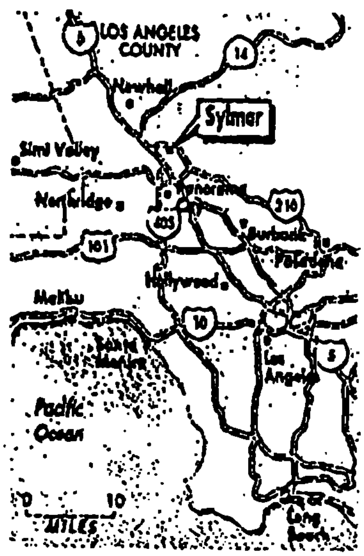
By Rob Haeseler
Chronicle Staff Writer

p·A1

Sylmar

Two months after the Northridge quake, residents of a neighborhood that was among the hardest hit say they have been all but ignored by the greatest recovery effort in the history of the United States.

Flowers bloom along walkways leading to front doors that stand ajar, revealing desolation within. Within a six-block area of the Olive View district, 45 of the 154 homes have been red- or yellow-tagged, indicating damage so serious that they are either public hazards or unsafe to occupy.



CHRONICLE GRAPHIC

Some of the empty $200,000 homes in the tranquil foothill neighborhood of the San Fernando Valley did not even sustain significant structural damage. The panic-stricken owners of nearly 30 homes simply fled, perhaps never to return, amid the aftershocks to the 6.8-magnitude quake that struck on January 17. That was before Sunday's 5.3 temblor.

Other homes that were heavily damaged have become makeshift encampments of tents and recreational vehicles, often lacking such basic necessities as toilets and cooking facilities.

"This system is not working," said Angela Micklos, whose yellow-tagged home on Aldergrove Street suffered more than $100,000 in damage. "We've all lost a bit of our minds."

Her words are echoed by neighbors who say they have been virtually abandoned by the Red Cross, the Federal Emergency Management Agency, the Small Business Administration and their own insurance companies.

Confusing System

Residents say they have been lost in the system, sometimes for weeks, and describe the process of home inspection as chaotic and contradictory. Around the neighborhood, collapsed walls expose swimming pools, posing a danger to children, and brackish water in the pools is breeding a bumper crop of mosquitoes.

Financial aid is on a track so slow here that some who applied for help eight weeks ago have not received a dime, while another 174,000 Angelenos have shared more than $450 million.

"There is a general consensus that we are all being ignored," said Joseph McKenna, an employee of the Los Angeles Metropolitan Transportation Authority whose home on nearby Almetz Street is uninhabitable.

McKenna lost his first house in Sylmar in 1971 to the deadly San Fernando quake and chose his current residence because it had weathered that disaster.

The memory of the heavy damage inflicted on this same neighborhood 23 years ago makes the claims of residents all the more compelling.

"I've been all over the city and I haven't heard anything like this," said Greg Smith, an aide to Los Angeles city Councilman Hal Bernson. "It's like a whole Zip Code fell out of the computer."

Red Cross officials said they were unaware of any special problems in the Olive View neighborhood. "Our ultimate concern is leaving a pocket of people who are not serviced," said public information officer Peggy Hinz.

And yet, that seems to be just what happened.

Long Wait for Help

Three weeks after the earthquake, badgering by desperate families prompted the Red Cross to send a meal truck to the neighborhood, which showed up on the Red Cross books as an area where the majority of homes were green-tagged: safe for occupancy.

The driver was Sam Pessin, a 28-year-old volunteer from Belleville, Ill., who is remembered today in Olive View as something of a saint.

"In all disasters—and you hate it when it happens, but it always does — you get little pockets that get left out in the cold," he said. "It happened in the Midwest, during the floods."

Every day for the next three weeks, Pessin said he delivered 600 and 800 hot lunches and dinners to the neighborhood. "There are a lot of wonderful people out there," he said. "This area should not have fallen through the cracks."

The meal service stopped after the Red Cross was told that all utilities had been restored.

Pessin said the extent of the damage suffered by the neighborhood was not immediately apparent. Homes that were first labeled as habitable were later reinspected and tagged yellow or red.

As building inspectors compared notes, the gravity of the situation gradually emerged.

"It's as bad there as it is in Northridge, right at the epicenter," said inspector G. P. Meyer.

Uneven Pace of Progress

The Red Cross revised its charts as new information filtered in — but the progress of one bureaucracy did not keep pace with that of another.

"As a result, those who could not live in their homes were turned down for assistance," said resident Angela Micklos.

For families who have earthquake insurance, like the Mickloses, the problem was only compounded. Relief agencies wanted to see what homeowners could recover before stepping in, and that process has taken time — often weeks.

"It was severely cold and it rained," Micklos said. "We were living like animals with no water or heat or toilet or stove, and we were still faced with our mortgage payments and all our other expenses." Those included an immediate $1,400 outlay to prevent the house from leaking and $960 for building permits so they could begin to repair the damage.

Micklos and her husband, Gordon, a project engineer at General Telephone, said they applied to the Federal Emergency Management Agency on January 22. On February 2, as other families around Los Angeles began to receive FEMA checks of $3,450 for three months of rental assistance, Gordon phoned the agency. "They said we didn't exist," he said.

The Mikloses received their rental assistance check five weeks after the quake.

Terry Green, a civil engineer who lives around the block on Almetz Street, has been told by a contractor that it will cost $149,000 to repair his yellow-tagged home. He applied to FEMA for help two days after the quake and has yet to receive an official inspection or a rental assistance check, he said.

"They green-tagged my house without ever going in it," he said. "The whole house is leaning about two inches westerly." He hired a structural engineer who declared the property "unlivable."

When FEMA official Michael Jurnak found himself facing 60 unhappy neighbors at a meeting in the Sylmar Community Church last week, he asked for a show of hands of those who had applied to the agency for help. Every arm in the room shot up.

But after listening to an angry outpouring from people who are unaccustomed to raising their voices or even attending meetings, he said: "Somewhere along the line there are problems, but they are not FEMA problems."

The New York Times TUESDAY MARCH 22, 1994

Aftershocks in Los Angeles Are Not All on Richter Scale

MM1

LOS ANGELES, March 22 (AP) — Until Sunday's strong aftershock, the horror of the Jan. 17 earthquake had faded in many minds. But when the tremor struck the Los Angeles area early Sunday afternoon, registering at 5.3 on the Richter scale of ground motion, it reawakened millions of Southern Californians to the horror.

Among them is Marie Lang, who will turn 74 on Thursday in a home filled with boxes of shattered crystal and collector plates. A private inspector has said her home could be repaired for less than $10,000, but a contractor estimated the damage at $36,000. She has no quake insurance.

Mrs. Lang, her husband and a friend had just arrived at a Denny's restaurant for lunch when the aftershock struck. "People were yelling and screaming, trying to get under the tables," Mrs. Lang said today, recalling how the fear came surging back.

The aftershock, which was felt as far north as Santa Barbara and as far south as San Diego, put cosmetic cracks in freeways, caused rock slides, sent a previously quake-damaged home sliding down a hill and knocked out power to thousands of customers.

Vast Unaddressed Needs

But unlike the 6.7-magnitude earthquake of Jan. 17, which killed 61 people and caused $20 billion in damage, Sunday's aftershock caused no deaths or serious injuries. The tremor, the third largest since the Jan. 17 quake, was centered six miles east of Northridge, the epicenter of the January earthquake.

Statistics disclose the vast unaddressed needs of people like Mrs. Lang and her husband, Bob, a retired aerospace worker who has Alzheimer's disease. By last Tuesday, before the new quake, in the city of Los Angeles the Building and Safety Department put structure damage at $2.43 billion, not counting contents.

As of Sunday, the Small Business Administration had received 106,369 applications for home and personal loans, with 16,736 approved for a total of $484.2 million. More than 68,000 were still being processed.

The agency received 17,924 applications for business loans and approved total payment of $45 million on 869 of them, fewer than 5 percent, a spokeswoman, Gretchen Fournier, said.

The Federal Emergency Management Agency has received more than 350,000 applications for temporary housing assistance, of which about 215,000 have been approved for $535 million. About 45,000 applications were rejected while 91,000 were still being processed, said an agency spokesman, Marty Bahamonde.

There is another aftereffect of the Jan. 17 earthquake: attempts at fraud by some residents with quake insurance. These residents, in league with contractors, try to get around the high deductibles of typically 10 percent by inflating their damage estimates.

William D. Handley, the inspector that Mr. Shaver hired, said that among the first 41 houses he examined for damage, three homeowners called him back later trying to persuade him to change his report to conform to an estimate of repairs by a contractor or structural engineer.

LOS ANGELES TIMES MAR 22, 1994

Demolition of 16 County-USC Buildings Sought

Quake: Supervisors are expected to approve today tearing down hospital facilities. Meanwhile, officials hope to use FEMA aid to speed construction of $1-billion complex planned before temblor.

By RICHARD LEE COLVIN 31
and DOUGLAS P. SHUIT
TIMES STAFF WRITERS

The Board of Supervisors is expected to approve today the demolition of 16 quake-damaged Los Angeles County-USC Medical Center buildings, leaving unresolved several key issues related to how the vast center will recover from more than $400 million in facilities losses.

At the same time, county health officials are hoping to persuade the Federal Emergency Management Agency to allow them to use federal relief money to speed the construction of a $1-billion complex to replace the :e-battered center.

The buildings to be torn down housed administrative and service functions and were not used for patient care. But two others, the Pediatric Pavilion and the Psychiatric Hospital, both of which were closed and their patients transferred after the Jan. 17 quake, were extensively damaged.

The condition of those buildings is still being assessed, but officials said it is likely that the Pediatric Pavilion may have to be torn down.

Before the earthquake, county officials were nearing completion of plans to replace the entire medical center, which occupies 100 buildings and 4 million square feet. Rather than spending as much as several hundred million dollars repairing and retrofitting the center's buildings, county officials hope to use the relief money for the new complex—adjacent to its location in Boyle Heights—that would include intensive care rooms, burn wards, laboratories and outpatient clinics.

"FEMA has not agreed to this, but this is what we are hoping for," project manager Fernando Vizcarra said. FEMA officials could not be reached for comment.

Although medical center officials said financing for the project is in place, FEMA money could speed its planning and construction. The center, which will be nearly half a million square feet larger than the First Interstate tower in Downtown Los Angeles, was to have been built in several phases over eight years, but FEMA money could make it possible to build it all at once. Under the current timetable the first of two main wings is to be occupied in 1997, but that date could be moved up two years with help from FEMA, officials said.

Although the FEMA money could accelerate the hospital replacement plans, there is resistance from private hospital officials in the county who believe that alternatives to the $1-billion medical center should continue to be explored. Their argument is that with a glut of empty hospital beds in the central Los Angeles area, the massive hospital envisioned by the county make not make sense.

Anthony J. Abate, a vice president with the Hospital Council of Southern California, said: "We find ourselves with excess capacity that wasn't considered five or 10 years ago when planning for this hospital began," he said. "In Los Angeles County, 50% of the hospital capacity is empty right now."

The future of other county-operated community clinics and regional health centers still has not been decided. These include the Mid-Valley Comprehensive Health Center in Van Nuys, nine office and other buildings at the Olive View Medical Center in Sylmar, and the San Fernando Health Center. The county staffs 45 regional health centers and about half were seriously damaged in the quake.

County-USC spokesman Harvey Kern said an initial estimate pegged damage to center facilities at $390 million but that a final damage estimate could take four more months to compile.

The buildings to be demolished include a 61,000-square-foot research and office facility built in 1921 and a 40,000-square-foot laundry built in 1928. Since the quake, the medical center has been sending out more than 1 million pounds of laundry a month.

FEMA and the state Office of Emergency Services have agreed to pay $750,000 to demolish the structures.

Some of the vacant land created by the demolitions will be occupied by temporary buildings to be used as offices by doctors and nurses. Kern said that since the quake, many doctors who worked at the pediatric and psychiatric facilities have been using their cars as makeshift office space.

The Pediatric Pavilion was evacuated Feb. 1 and patients were moved into Women's Hospital. That set up a domino-like series of moves in which some administrative functions were moved from a medical center office building to the City of Commerce, to be replaced by clinics formerly at Women's and at Pediatric.

Recognizing the new arrangement, the Board of Supervisors Tuesday will vote on changing the name of Women's Hospital to Women's and Children's Hospital.

When the psychiatric facility was shut down, about 80 adult patients were moved to Metropolitan State Hospital in Norwalk. Juvenile patients were transferred to Augustus Hawkins Mental Health Center at Martin Luther King Jr./Drew Medical Center.

SAN DIEGO UNION-TRIBUNE MAR 22 1994

Oscar's glitter helps calm jitters from 5.3 aftershock

By SHANTÉ MORGAN
Copley News Service

A-4

LOS ANGELES — Southern California rebounded quickly yesterday from a fearsome aftershock to the Northridge earthquake, as motorists returned in droves to patched-up freeways and Oscar-watchers lined up downtown for a glimpse of the stars.

"It was unnerving, but it came and it's gone," said Jeanette Giaco, 51, of Fullerton while standing outside the Dorothy Chandler Pavilion, where the 66th annual Academy Awards show was about to begin. "I'd rather be out here than inside anyway."

The 5.3 aftershock Sunday touched off electrical fires that destroyed a Van Nuys mini-mall and a utility switching near the San Fernando Valley epicenter, authorities said. It also caused minor damage to overpass supports along two freeways.

No serious injuries were reported, and the coroner's office said it had no information on a heart attack death that newscasts linked to the 1:20 p.m. shaker.

Quake veterans showed up for work as usual and relief officials continued to process thousands of applications for repair aid. The Federal Emergency Management Agency (FEMA) and Los Angeles County's Mental Health Department said the aftershock prompted an increase in calls for assistance.

"It's nervousness and anxiety," said Cedric McRae, a regional coordinator for the mental health department's Project Rebound. "And some exhaustion. They want to know when is it going to stop."

FEMA spokesman Marty Bahamonde said: "A lot of people were calling in to find out what to do if there was new damage."

Fire officials estimated the mini-mall loss at $550,000.

Sunday's jolt was the third-strongest aftershock to the 6.8-magnitude quake Jan. 17 that killed 61 and caused as much as $20 billion in damage.

Aftershock Raises Questions About New Deductibles

■ **Insurance:** Companies are weighing whether Sunday's damage will be considered separate from Jan. 17 quake.

By THOMAS S. MULLIGAN
TIMES STAFF WRITER

Some Southern California residents who suffered property damage in both the Jan. 17 Northridge earthquake and Sunday's powerful aftershock may have to meet their earthquake insurance deductibles all over again, insurance company officials warned Monday.

Most insurers said they will individually review claims from Sunday's 5.3-magnitude aftershock before deciding whether to classify any new damage as part of the January quake or as an entirely separate incident.

For many homeowners, much rides on the outcome because earthquake insurance deductibles typically run 10% of the coverage limits, easily tens of thousands of dollars in most cases.

Sunday's aftershock centered near Panorama City triggered a new moratorium on the sale of earthquake insurance by several large insurers, making coverage more diffi-

Please see INSURANCE, D4

cult to buy in Southern California for at least the next several weeks.

Farmers Insurance Group, Safeco Insurance Cos. and 20th Century Insurance Co. all suspended writing earthquake policies in the Los Angeles area for up to 30 days. However, State Farm Insurance Cos. and Allstate Insurance Co., the two largest carriers, are continuing to sell new policies.

Although damage from the latest quake appeared relatively slight Monday, it raised concerns among homeowners about how their insurers will treat new claims.

John Mora, whose home in the Winnetka neighborhood of Canoga Park sustained $10,000 to $11,000 damage in the Jan. 17 quake, said a bookshelf toppled over and was smashed in the Sunday afternoon aftershock and that a new crack sprouted in the foundation of his garage.

Mora called his State Farm insurance agent Monday and was unprepared for what he heard. "He told me it looks like it'll be considered a new quake and I've got to pay my $5,000 deductible again," Mora said.

State Farm Vice President Roger B. Tompkins said the company has no blanket policy for handling claims from Sunday's aftershock. If damage appears to be related to the Jan. 17 quake, it will be added to the original claim, he said. But if the damage is unrelated, it probably will be considered a separate incident, requiring the claimant to meet the entire deductible anew.

"It is technically considered a separate insurable event," Farmers spokesman Jeffrey Beyer said of the aftershock. However, he also said Farmers will consider claims case by case.

Meanwhile, insurers continue to boost their estimates of damage from the Northridge quake, increasing the likelihood that total insurance losses will far exceed the official industry estimate of $2.5 billion.

Allstate nearly doubled its damage estimate Monday, saying it now expects to pay about $600 million on some 38,000 claims. Its initial estimate in early February was $350 million on 25,000 claims.

When Allstate issued its new damage estimate from the Northridge quake Monday, it was the second large carrier to project a sharply higher total.

Last Thursday, Woodland Hills-based 20th Century pushed its claims cost estimate up to $325 million from $160 million and said the losses would result in a $161.7-million charge against first-quarter earnings.

Stock in the insurer's parent firm, 20th Century Industries, dropped again Monday, closing at $20.25 a share on the New York Stock Exchange, down $1.25 for the day and down 24% from Thursday's closing price of $25.125.

Office of Emergency Information and Public Affairs, Federal Emergency Management Agency, Washington, D.C. 20472

January Quake Limbo Lingers

LOS ANGELES (AP) _ Until the big aftershock, the horror of January's earthquake had faded in many minds. Yet thousands remain trapped by yellow tags, red tape, yet-to-arrive insurance checks, and their own uncertainties.

Marie Lang will turn 74 on Thursday in a home filled with boxes of shattered crystal and collector plates, its chimney fractured in back, foundation support posts knocked loose below.

Her husband, Bob, a retired aerospace worker who turns 76 the same day, requires her constant care for Alzheimer's disease.

A private inspector said her home could be repaired for less than $10,000, but a contractor's estimate was $36,000. She has no quake insurance, has yet to apply for a Small Business Administration loan, and isn't sure how to spend a $5,000 Federal Emergency Management Agency grant.

When she heard the $36,000 estimate for the San Fernando Valley home they bought new in 1953, "I thought, 'Oh my God,' " she said, her hands, lips and voice trembling.

"We only paid $15,000 for the place to begin with. I don't know where to start," she said Monday.

Mrs. Lang, her husband and a friend had just arrived at a restaurant for lunch when the 5.3-magnitude aftershock to the Jan. 17 quake struck Sunday.

It put "cosmetic" cracks in freeways, triggered rockslides, sent a previously quake-damaged home sliding down a hill toward houses below, and knocked out power to thousands. It also reawakened millions of Southern Californians to the dread Mrs. Lang lives with daily.

"People were yelling and screaming, trying to get under the tables," she said. "We had to wait so long to get served because the waitresses were terrorized _ poor little things.

"And when I went home, things had fallen all over the floor again. I'd forgotten to wire the cupboard doors shut and the canned goods fell out."

Many of the worst-off are elderly, like Mrs. Lang. Others are financially shaky, like Susie Taylor, 41, who is out of work as a medical office manager, has spent years caring for her invalid mother in the home that was paid off last year, and drives a 1968 Ford Torino.

The city's yellow warning tag, posted when she was away from the home where she grew up, said "exterior only," apparently referring to a damaged chimney and block wall. But at one point officials from the Federal Emergency Management Agency refused to enter the house because of the tag, stalling her application for aid.

"I have good days and bad days," said Ms. Taylor, who still lives with friends or in motels. "Sometimes I just sit around and cry. The earthquake took everything."

Statistics reveal vast unaddressed needs like hers. By last Tuesday in the city of Los Angeles alone, the Building and Safety Department put structure damage at $2.43 billion, not counting contents.

Red-tagged buildings _ unsafe to enter _ totaled 1,989. There were 8,802 more with yellow tags, indicating parts of the buildings were unsafe.

As of Sunday, the federal Small Business Administration received 106,369 applications for home and personal loans, with 16,736 approved for a total of $484.2 million. More than 68,000 were still being processed.

The agency received 17,924 applications for business loans and approved total payment of $45 million on 869 of them, fewer than 5 percent, spokeswoman Gretchen Fournier said.

FEMA has received more than 350,000 applications for temporary housing assistance, of which about 215,000 have been approved for $535 million. About 45,000 applications were rejected while 91,000 were still being processed, said FEMA spokesman Marty Bahamonde.

People with quake insurance find that those payments, too, can take time. Steve Shaver said city inspectors had time to give his home a few miles from the Northridge epicenter only a cursory inspection, so he hired a private home inspector.

Two months after the quake, he still has no FEMA or SBA money and his insurer is holding up payment on his claim until he gets a second contractor to verify the damage found by the private inspector.

State officials estimated the Northridge quake damage at $20 billion. The human toll was also high. Sixty-one people died and over 10,000 were injured during the 6.7-magnitude quake and its immediate aftershocks.

No deaths or serious injuries were reported during Sunday's aftershock, which was centered six miles east of the Northridge quake's epicenter and was the third-largest since Jan. 17. Damage was spotty and limited.

Seismologists consider it an aftershock because it was so close to the Northridge quake's epicenter.

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Federal Emergency
Management Agency

NEWS

Office of Public Affairs
Washington, D.C. 20472

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March 21, 1994

FEMA ISSUES PROCEDURE ON
HOUSING AID FOR ALIENS

WASHINGTON -- The Federal Emergency Management Agency (FEMA) announced today that a procedure has been developed to implement the requirements of Section 403 of the Emergency Supplemental Appropriations Act of 1994, which provides federal funds for the Northridge earthquake recovery in southern California and other disasters.

Section 403 requires the U. S. government to take reasonable steps to determine whether a disaster victim seeking direct federal assistance was lawfully in the United States at the time of the disaster. The FEMA procedure established to meet this requirement is as follows:

Applicants seeking FEMA disaster housing assistance beyond an initial 90 day period will be required to complete a declaration that they are lawfully in the country, before additional temporary housing aid can be provided. False declarations are punishable by fines and/or imprisonment. Declarations may also be subject to audit by the Immigration and Naturalization Service.

Applicants for other disaster assistance programs need not declare citizenship or immigration status. With respect to programs administered by other federal agencies, applicants should seek information and guidance directly from those agencies.

In addition, applicants will be requested to provide a form of identification. Examples of forms of identification would include, but not be limited to, drivers license, student identification card, employer identification card, or health insurance card.

Other forms of identification would also be acceptable as long as some form of identification is presented that demonstrates the applicant's identity.

In announcing the procedure, the agency stressed that no declaration will be required of any applicant for the initial 90 days of disaster housing assistance.

- more -

FEMA ISSUES PROCEDURE ON
HOUSING AID FOR ALIENS
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The Agency also stressed that, consistent with the new law, under no circumstances may FEMA or any agents discriminate against any individual applying for assistance on the bases of race, color, creed, handicap, religion, sex, sexual orientation, national origin, citizenship status or form of lawful immigration status.

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Federal Emergency Management Agency

NEWS

Office of Public Affairs
Washington, D.C. 20472

(202) 646-4600

Media Contact:

Morrie Goodman

Release No.: 94-28

Release Date:
March 21, 1994

MATTINGLY BECOMES DIRECTOR OF FEMA'S REGIONAL OFFICE IN SAN FRANCISCO

WASHINGTON -- Shirley Mattingly, a long-time city administrator highly skilled in emergency operations, has become director of the Federal Emergency Management Agency's (FEMA) regional office in San Francisco, Calif.

Mattingly, former emergency management director for the City of Los Angeles, was sworn-in to her new office today by FEMA Director James Lee Witt. She replaces Kevin J. Clark, who returns to his previous position as deputy regional director.

FEMA is the central point of contact within the federal government responsible for a wide range of emergency planning, preparedness, response, and recovery activities for any kind of natural or man-made disaster.

As head of the agency's Region IX Office, Mattingly will guide a variety of federal emergency preparedness, mitigation and disaster recovery programs for American Samoa, Arizona, California, Guam, Hawaii, Micronesia, Nevada, Northern Mariana Islands, Republic of Palau, and the Trust Territory of the Pacific Islands.

"Shirley Mattingly is a very able and talented government administrator who has been directly involved in some of the nation's worst disasters," Witt said. "The people served by our San Francisco office will not only benefit from her many years of public service, but also by her long association with FEMA and the emergency management community."

Before coming to FEMA, Mattingly, 49, spent more than 25 years with the Los Angeles City government, where she last served as the director of emergency management starting in 1980.

In that capacity, Mattingly was responsible for administering the city's disaster response and recovery programs, as well as emergency planning, preparedness and seismic analysis activities. She was most recently involved in directing response and recovery operations for the Los Angeles riots in 1992, the southern California wildfires in 1993 and the Northridge earthquake in 1994.

-more-

Mattingly has participated in a number of international emergency management collaborative programs and was instrumental in planning numerous earthquake conferences, including a National Academy of Sciences workshop on economic losses from a catastrophic earthquake and symposiums on the Loma Prieta earthquake aftermath.

Mattingly currently serves on the Board on Natural Disasters of the National Academy of Sciences, the Board of Visitors of FEMA's Emergency Management Institute, and the Advisory Council for the Southern California Earthquake Center. She also has been a faculty member of FEMA's National Emergency Training Center since 1984.

A resident of Manhattan Beach, Calif., Mattingly was a Fulbright Scholar and holds a Master of Arts degree in Latin American Studies from the University of California and a Bachelor of Arts degree in Spanish Language and Literature from Occidental College in Los Angeles.

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